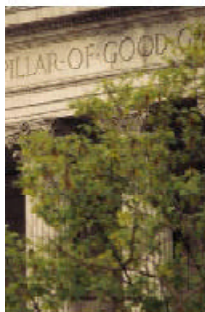
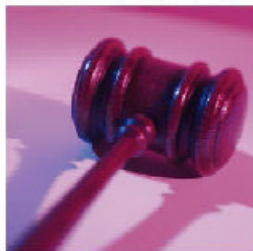


2001 ■ 2002

# YEARS IN REVIEW

PENNSYLVANIA OFFICE OF ATTORNEY GENERAL



**MIKE FISHER ■ ATTORNEY GENERAL**

2001 ■ 2002

# YEARS IN REVIEW



PENNSYLVANIA OFFICE OF ATTORNEY GENERAL



**MIKE FISHER** ■  
ATTORNEY GENERAL

*“The call to public service is not the easiest path, and it may not bring the same direct financial reward as other careers may bring, but I challenge you to consider it. When I started on my adventure in public service 32 years ago, I could not have imagined my experiences as a prosecutor, legislator and now Attorney General. It has given me the opportunity to meet so many remarkable people and visit so many wonderful places here in Pennsylvania.”*

-- Attorney General Mike Fisher  
Remarks to the Academy of Trial Lawyers of Allegheny County  
Pittsburgh



COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF ATTORNEY GENERAL  
HARRISBURG, PA 17120

July 1, 2003

*Dear Fellow Pennsylvanian:*

*In the nearly seven years since I was first elected Pennsylvania's Attorney General, I have been steadfast in my commitment to make our Commonwealth a safer place to live, work and raise a family.*

*My number one priority always has been fighting illegal drugs, using a comprehensive approach to reducing the flow of these poisons into our communities. Our enforcement effort has been spearheaded by the Attorney General's Drug Task Force program, which has resulted in the arrest of more than 25,000 suspected drug dealers in every corner of the state. Anti-drug education has been equally important, as we reach out to children with a strong warning about the dangers of drugs and also work to update parents and police about new drug trends.*

*Consumer Protection is another major responsibility of this Office, and I am extremely proud of our successful "Do Not Call" program. Launched less than a year ago, the program now provides relief to more than 2.6 million Pennsylvania residents who were seeking an escape from unwanted telemarketing calls. Equally important has been the work of my Health Care Section, created to ensure that consumers are treated fairly by HMOs and health insurance companies. The Health Care Section has now intervened in more than 3,000 cases, helping consumers secure more than \$5 million in vital health care services.*

*Meanwhile, our Civil Law Section has worked tirelessly to defend the Commonwealth and its officials in a myriad of cases, some of which went all the way to the U.S. Supreme Court. It has also defended the laws of the Commonwealth, passed by the General Assembly, from constitutional challenges.*

*The Office of Attorney General is a large and diverse organization, with a mission that touches the lives of every Pennsylvanian. It takes hundreds of public servants to make this office work, and I am proud of their dedication. I am pleased to present the Years in Review, highlighting some of the major accomplishments of the Office of Attorney General during the last two years. Together, we have made Pennsylvania a better place.*

*Sincerely,*

A handwritten signature in black ink, appearing to read "Mike Fisher".

Mike Fisher  
Attorney General



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# ORGANIZATION OF THE OFFICE



## **CRIMINAL LAW DIVISION**

### PROSECUTIONS

- Insurance Fraud Section
- Environmental Crimes Section
- Medicaid Fraud Control Section
- Criminal Prosecutions Section
- Tax Crimes Unit
- Computer Forensics Section and Unit
- Child Sexual Exploitation Unit

### ORGANIZED CRIME & NARCOTICS

- Drug Strike Force Section
- Asset Forfeiture & Money Laundering Section
- Organized Crime Section
- Gang Prosecution Unit

### CRIMINAL INVESTIGATIONS

- Bureau of Criminal Investigations
- Bureau of Narcotics Investigation & Drug Control
- Bureau of Investigative Services

### LAW & APPEALS

- Appeals & Legal Services Section
- Capital Litigation Unit
- Regulatory Compliance & Intelligence Section

## **CIVIL LAW DIVISION**

- Litigation Section
- Review & Advice Section
- Tax Litigation Section
- Financial Enforcement Section
- Torts Litigation Section
- Appellate Litigation Section

## **PUBLIC PROTECTION DIVISION**

- Bureau of Consumer Protection
- Health Care Section
- Antitrust Section
- Charitable Trusts & Organizations Section
- Civil Rights Enforcement Section
- Tobacco Enforcement Section
- Office of Consumer Advocate

## **MANAGEMENT SERVICES DIVISION**

- Equal Employment Opportunity Unit
- Comptroller Section
- Human Resources Section
- Office Services Section
- Law Library Section
- Information Technology & Law Section





# DUTIES OF THE PA ATTORNEY GENERAL

Under the Commonwealth Attorneys Act, the fundamental duties of the Attorney General are:

1. To be the Commonwealth's chief law enforcement officer charged with the responsibility for the prosecution of organized crime and public corruption. This law enforcement effort includes a criminal investigation unit and a drug law enforcement program, as well as direction of statewide and multi-county investigating grand juries and a Medicaid Fraud Control Section.
2. To collect, by suit or otherwise, all debts, taxes and accounts due the Commonwealth, which shall be referred to and placed with the Attorney General.
3. To represent the Commonwealth and all Commonwealth agencies and, upon request, the Auditor General, State Treasurer and Public Utility Commission, in any action brought by or against the Commonwealth or its agencies.
4. To administer the provision relating to consumer protection laws.
5. To represent the Commonwealth and its citizens in any action brought about for violation of the antitrust laws of the United States and the Commonwealth.
6. To review for form and legality all Commonwealth deeds, leases and contracts to be executed by Commonwealth agencies.

The Attorney General, or deputy appointed by him, serves as a member of various boards and commissions, including:

- The Board of Pardons
- The Pennsylvania Commission on Crime and Delinquency
- The Board of Finance and Review
- The Pennsylvania Emergency Management Agency
- The Municipal Police Officers Education and Training Commission
- The Mid-Atlantic Great Lakes Organized Crime Law Enforcement Network





# CRIMINAL LAW DIVISION: **AUTHORITY**



The Criminal Law Division is the largest section of the Office of Attorney General, representing more than half of all employees. The Commonwealth Attorneys Act gives the Office of Attorney General's Criminal Law Division the power to investigate and prosecute criminal matters relating to the public duties of state officials and employees; corrupt organizations and narcotics cases; charges referred by a Commonwealth agency; presentments returned by an investigating grand jury; and matters arising out of the Medicaid Fraud Control Section.

In addition, the Criminal Law Division may prosecute upon a request of a district attorney and may handle criminal appeals as the law provides.



January 1, 2001 - December 31, 2002	<b>DA Referrals</b>	<b>225</b>
	<b>Citizen Complaints</b>	<b>39</b>
	<b>State Office Referrals</b>	<b>64</b>
	<b>Grand Jury</b>	<b>5</b>
	<b>Tax Claims</b>	<b>52</b>
	<b>Miscellaneous</b>	<b>5</b>
	<b>TOTAL</b>	<b>386 CASES</b>

## CRIMINAL PROSECUTIONS SECTION

The Criminal Prosecutions Section prosecutes a variety of criminal violations involving all areas within the jurisdiction of the Office of Attorney General. Cases often originate from District Attorney or Commonwealth Agency referrals and use the investigative tools of the Statewide Investigating Grand Jury.

## SIGNIFICANT CASES

### COMMONWEALTH v. SHERIF ABDELHAK

On August 29, 2002, Attorney General Mike Fisher announced that the former Chief Executive Officer of the Allegheny Health Education and Research Foundation (AHERF), Sherif Abdelhak, was sentenced to 11 ½ to 23 months in prison for his role in illegally spending more than \$52 million in charitable endowments held by AHERF.

AHERF was a non-profit health system consisting of various hospitals and medical training facilities throughout Pennsylvania and several neighboring states. In early 1998, AHERF was headed toward bankruptcy when Abdelhak directed the accessing of the endowment funds to pay for AHERF's operating expenses. Millions of dollars that were to fund specific projects like medical research and scholarships were lost.

Attorney General Mike Fisher has been able to recoup much of the missing endowment money through a civil settlement.

## COMMONWEALTH v. DAVID BRYANT

In this York County case, the Chief Executive Officer of Shadowfax Corporation, Inc., a non-profit corporation serving the needs of the mentally retarded in York County, was arrested and charged with three counts of felony theft totaling \$73,800.

David B. Bryant was sentenced in December 2002 to serve 11 ½ to 23 months in prison and was ordered to pay back the money that he had stolen over a period of several years. Also charged in connection with these crimes was a certified public accountant who altered financial records to conceal the theft.

## COMMONWEALTH v. STEPHEN TREIBER

This Erie County case revolved around a deadly 2001 fire which took the life of a two-year-old girl. Stephen Treiber, the girl's father, was accused of setting fire to his own home while his daughter slept inside. The child died as a result of smoke inhalation.

Prosecutors argued that Treiber crafted the plan to set this deadly fire as a way to both obtain money for his failing rental property business as well as to eliminate the child support payments he was required to pay. It was determined that Treiber increased the insurance coverage on his house and vehicles before the fire. He also purchased bales of hay and cans of gasoline shortly before driving to Pittsburgh to pick up his daughter from his ex-wife.

On March 9, 2001, two fires were set in Treiber's home. The delayed manner in which these fires were triggered allowed Treiber enough time to rescue his girlfriend and two dogs, but he was accused of making no effort to save his young daughter.

Treiber was convicted of first-degree murder and sentenced to death. This case was referred to the Office of Attorney General by the Erie County District Attorney's office.

## COMMONWEALTH v. SHERIFF HARRY GEIGER

In October 2001, Attorney General Mike Fisher announced the arrest of Pike County Sheriff Harry Geiger for using inmates from the Pike County Prison to remodel his daughter's home and install a new roof on his house.

The Sixteenth Statewide Investigating Grand Jury found that three prisoners worked eight to 10 hours per day for approximately 40 days during September, October and November of 1999 remodeling Geiger's daughter's farmhouse. The prisoners received food and cigarettes as payment and were told by Sheriff Geiger and a deputy to "keep their mouths shut." The prisoners were transported back and forth to Geiger's daughter's house each day by a deputy sheriff in an unmarked sheriff's department vehicle.

The grand jury also found that after completing the remodeling project on his daughter's farmhouse, Sheriff Geiger selected three prison inmates to install a new roof on his home. The job lasted three to four days.

On May 9, 2002, Sheriff Geiger pleaded guilty to the charges of restricted activities, an unclassified felony under the Ethics Act and of criminal solicitation to commit tampering with or fabricating physical evidence. Geiger was placed on probation for three years and directed to make restitution to Pike County. He resigned from his elected position as Sheriff of Pike County.

## COMMONWEALTH v. ALBERT CARPINET

In 2001, Attorney General Mike Fisher announced the arrest of Albert Carpinet for prostitution and drug charges.

Between 1997 and 1999, Carpinet was the leader of a large prostitution ring in Northeastern Pennsylvania. He ran the out-call prostitution business, which employed almost 150 women over a two-year period, out of his home in Luzerne County. During the Grand Jury Investigation in 1999, Carpinet fled to Mexico.

In 2000, four co-conspirators were prosecuted and pleaded guilty to various prostitution-related offenses. Prior to his arrest, Carpinet was deported from Mexico. He pleaded guilty to 14 prostitution and drug charges.

# Shadow grows over troubled nonprofit



# STEPHEN B. SCHER

Declaring that “Stephen Scher should not be rewarded because he is a good liar,” Attorney General Mike Fisher personally argued before the Pennsylvania Supreme Court to reinstate Scher’s murder conviction and return him to prison. In August of 2001, the state’s highest court did exactly that.

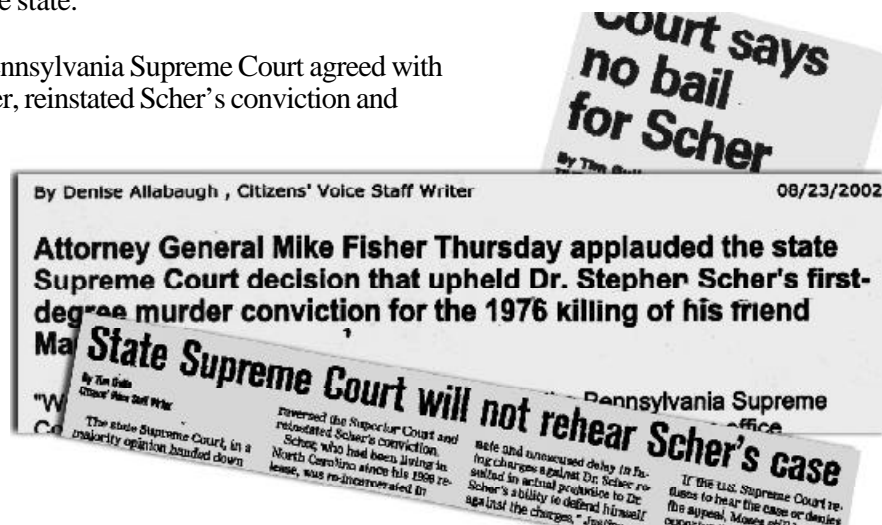
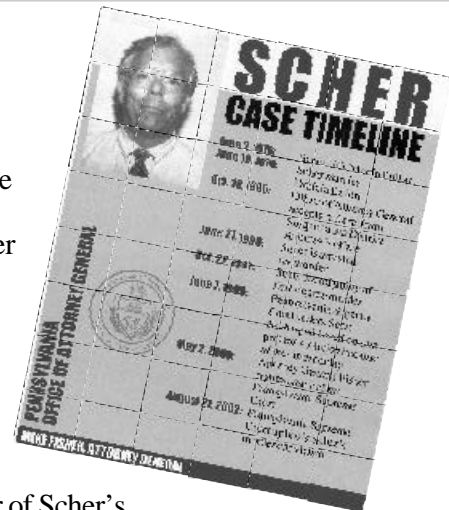
At the center of the Scher case, and the appeal to the Pennsylvania Supreme Court, was whether someone involved in a crime should be able to avoid prosecution because their false statements to investigators resulted in a lengthy delay between the crime and a trial. In this case, more than two decades lapsed between the murder of Scher’s friend, Martin Dillon, in 1976, and Scher’s trial and first-degree murder conviction in 1997.

Following his conviction at the hands of a team of prosecutors from the Office of Attorney General, Scher argued that the 23-year delay between crime and trial impaired his ability to mount an effective defense. In June 1999, the Pennsylvania Superior Court ruled that the delay had violated Scher’s right to due process and reversed his conviction.

Attorney General Fisher quickly appealed to the Pennsylvania Supreme Court, arguing that the delay between crime and trial was the direct result of false statements made by Scher during the original 1976 investigation of Dillon’s death. Scher, it was determined, lied about the circumstances of his friend’s shooting death and also lied about a relationship with his friend’s wife.

Fisher successfully defended the actions of prosecutors and investigators in the case, arguing that if Scher had been truthful with authorities during the original investigation there would not have been a lengthy delay between murder and trial. He also argued that the reversal of this conviction based solely on the lapse of time between crime and trial would essentially establish a statute of limitations for murder in Pennsylvania, striking a blow to authorities who continue to investigate many unsolved murder cases across the state.

In August 2001, the Pennsylvania Supreme Court agreed with Attorney General Fisher, reinstated Scher’s conviction and returned Scher to prison.



# ENVIRONMENTAL CRIMES SECTION

The Environmental Crimes Section of the Office of Attorney General is responsible for investigating and prosecuting violations of crimes against the environment. Specifically, this section handles violations of the Commonwealth's environmental and criminal statutes involving the generation, transportation, storage and disposal of solid hazardous and other wastes. This Section works closely with the Pennsylvania Department of Environmental Protection (DEP).

The Office of Attorney General gains jurisdiction to prosecute these crimes either by referral from a district attorney or the Pennsylvania Department of Environmental Protection. Most cases handled by the Environmental Crimes Section are based on referrals from DEP.

## SIGNIFICANT CASES - 2001

### MONTGOMERY COUNTY ENVIRONMENTAL CRIME

In September 2000, Attorney General Mike Fisher announced the arrest of Randall Aiken of Montgomery County for illegally pumping gasoline from an underground storage tank onto a SEPTA rail line in Abington Township, Montgomery County.

Aiken was accused of pumping approximately 3,000 gallons of an ignitable hazardous gasoline mixture from an underground storage tank onto the SEPTA rail line. The illegal disposal caused the shutdown of the rail line for approximately two hours because of safety concerns.

On March 5, 2001, Aiken pleaded guilty and was sentenced to serve 11 ½ to 23 months house arrest, followed by 12 months probation. Aiken was also fined \$6,500 and ordered to pay \$1,758 in restitution to the various fire companies and the Montgomery County Haz-Mat team that responded to the incident.

### AIR POLLUTION CASE

In November 2000, Kreiser Fuel Services, Inc. and company president Rufus Kreiser were charged with violations of the Air Pollution Control Act, Criminal Solicitation, Forgery and Tampering with Public Records or Information. The Environmental Crimes Section of the Office of Attorney General charged the company with filling its tank trucks almost 300 times over a period of approximately 1 ½ years, despite the fact that the tank trucks had not been inspected in accordance with the Air Pollution Control Act. The investigation into Kreiser Fuel Services, Inc. also found that the company had altered certifications for the company's trucks, thereby creating false certifications.

On July 29, 2001, both Rufus Kreiser and Kreiser Fuel Services, Inc. pleaded guilty to all counts. The company was sentenced to pay \$40,000 in fines, serve two years probation and pay court costs. Rufus Kreiser was sentenced to pay \$15,000 in fines, serve two years of probation and pay court costs.

## Man jailed for crimes against environment

Carrie Caldwell  
Intelligencer



## SIGNIFICANT CASES - 2002

### MARYLAND MAN GUILTY OF ENVIRONMENTAL CRIMES

On January 29, 2002, a jury convicted Michael Paul Knott of Manchester, Maryland, of environmental crimes committed at a Pennsylvania National Guard Armory in Bucks County and other facilities.

Attorney General Mike Fisher announced that Knott and his business, American Plumbing and Petroleum Service Company Inc., were found guilty of five felony counts of tampering with public records or information and two misdemeanor counts of unlawful conduct under the Commonwealth's Storage Tank Act. These charges resulted from Knott directing uncertified employees to repair a 2,000-gallon gasoline tank at the Sellersville Armory in Bucks County. The employees made the repairs with an auto repair kit bought from a local auto repair store.

As a result, gasoline leaked from the poorly repaired tank into the surrounding soil. To conceal the unlawful activities, Knott and his company submitted falsified certifications to the state Department of Environmental Protection. Knott was sentenced to one to 12 months in Dauphin County Prison, pay \$2,700 in fines, pay \$1,760 in investigative costs to the Office of Attorney General and pay court costs.



## BUCKS COUNTY SOIL TREATMENT COMPANY

On May 16, 2002, three men — Marcus Jobes, Bruno DiGiansante and Paul Bracegirdle — and two companies, R3 Technologies and Mix Design Methods, pleaded guilty to unlawful conduct, records tampering and other criminal charges in connection with the improper and/or illegal incineration of soil containing gasoline, oil and high levels of lead, chromium and petroleum.

According to investigators, R3 Technologies operated a soil remediation and incineration plant. For a fee, R3 accepted contaminated soil and used a two-step process to remove the pollutants. In the treatment process, the soil is heated and the pollutants are extracted as evaporated gases. The evaporated gases are then burned off and the decontaminated soil is resold as clean fill or returned to the clients with certification that it had been properly treated.

Under Pennsylvania law, the extracting treatment must be operated at 750 degrees Fahrenheit and the second combustion treatment at 1,800 degrees Fahrenheit. Investigators found that R3 intentionally operated the first treatment at 300 degrees Fahrenheit and the second combustion treatment at only 1,100 degrees Fahrenheit. Thus, the company did not properly treat the contaminated soil. R3 Technologies was sentenced to pay a \$350,000 fine and to donate \$150,000 to various environmental organizations. Both Jobes and DiGiansante were sentenced to serve two years probation and Mix Design Methods, a 20 percent owner of R3 Technologies, was sentenced to pay a \$50,000 fine and serve one year probation.

## SELINGROVE ACID CLOUD RELEASE

On April 2, 2002, Attorney General Mike Fisher announced that REMTECH Environmental L.P., a York County hazardous waste treatment company, and two of its employees had pleaded guilty to various environmental crimes.

The charges stemmed from the June 1999 release of hazardous acid vapors from a tanker truck on Routes 11/15 near Selingsgrove, resulting

in the closure of Routes 11/15, the evacuation of nearly 1,000 people and the hospitalization of five individuals. REMTECH and its employees were responsible for improperly loading the tanker truck with hazardous chemicals resulting in the release of acid vapors which formed a dangerous acid cloud.

REMTECH Environmental was sentenced to pay a \$250,000 fine and pay \$378,000 in restitution to the various victims of the crime. Kevin Landis, a REMTECH supervisor, was sentenced to serve one year of probation and pay court costs. Robert Mulrine, a REMTECH approval manager, was sentenced to serve four to 23 months of house arrest, pay a \$5,000 fine, serve three years of probation and serve 100 hours of community service.

## CENTRAL PENNSYLVANIA

On November 14, 2002, RecOIL Inc., an oil processing company, and two of its executives pleaded guilty to tampering with public records, and violations of the Pennsylvania Solid Waste Management Act.

In March of 2002, the Environmental Crimes Section of the Office of Attorney General filed charges against RecOIL Inc., Michael Reitz and Scott Avery for authorizing the falsification of documents regarding the quality of processed oil. The oil was sent to RecOIL's customers, located in Adams, Bedford, Lancaster and York counties, who paid more than \$100,000 for this oil. RecOIL also failed to sample the waste oil, which is in violation of RecOIL's Processing/Beneficial Use Permit issued by the Pennsylvania Department of Environmental Protection.

RecOIL was sentenced to pay a \$100,000 fine, serve five years of probation and pay \$20,000 to various environmental organizations. Michael Reitz, the president and owner of RecOIL, was sentenced to pay a \$10,000 fine, serve one year probation and perform 100 hours of community service. Scott Avery, the vice-president of RecOIL, was sentenced to pay a \$10,000 fine, serve five years of probation and perform 100 hours of community service.

## RecOil company and CEO face charges

■ The Attorney General's office said the company sold contaminated oil, violating its DEP permit.

By RICK LEE  
Daily Record staff

A Harrisburg man and a Reading-based company with a facility in York have been charged with deceptive business practices, tampering with public records and unlawful conduct for allegedly selling processed waste oil with unallowable levels of health-threatening dioxins.

Michael David Reitz, 52, president and CEO of RecOil, was arraigned individually and as a representative of the company in York County Common Pleas Court on those charges last month.

The charges were brought by the Pennsylvania Office of the Attorney General's environmental crimes section which had been alerted to possible problems with RecOil by the state Department of Environmental Protection.

RecOil operates a waste oil processing facility at 260 East St. in York.

According to the affidavit filed in county Common Pleas Court by the attorney general's office, RecOil violated its DEP permit allowing it to process waste oil for "beneficial use" such as fuel oil and for blacktop-paving.

An investigation by special agents Donald A. Hertz Jr. and Rose Ann Clement allegedly determined that between November 1999 and September 2001 and with Reitz' authorization RecOil sold thousands

of gallons of processed waste oil to companies in York and neighboring counties that was in violation of the DEP permit requirements on allowable levels of PCBs (polychlorinated biphenyls) and sulfur content.

The agents reported that RecOil's company chemist told them he did not test oil being shipped out of the York facility but only the oil in the 20,000-gallon holding tanks.

The agents' affidavit stated that the company's "theory was since the incoming loads were OK, the outgoing loads should be OK."

RecOil, again with Reitz' alleged approval, changed test results on outgoing oil to appear to be in compliance with DEP regulations, the agents alleged.

Reach Rick Lee at 771-2033 or at rlee@daily.com.



## MEDICAID FRAUD CONTROL SECTION

In 1977, Congress enacted a law that established and funded the state Medicaid Fraud Control Unit to investigate and prosecute provider fraud in the Medicaid program. In 1978, in response to the new law, the Pennsylvania Office of Attorney General formed its Medicaid Fraud Control Section.

This Section is responsible for investigating and prosecuting providers who participate in the Medical Assistance Program and have committed fraud. The providers include nursing homes, hospitals, medical suppliers, mental health clinics, vendors, managed care organizations and medical professionals. In addition, the section is responsible for investigating and prosecuting patient abuse and neglect in Pennsylvania's nursing homes and reducing fraud in the state's Medicaid program.

During the last two years, the Medicaid Fraud Control Section has opened 259 cases for investigative review. Since January 2001, 60 individuals have been arrested for Medicaid Fraud-related crimes. During this same period, the Medicaid Fraud Control Section has been responsible for over \$11.3 million in court ordered restitution, fines and investigative costs.

### SIGNIFICANT CASES

#### ELK COUNTY MEDICAID AND INSURANCE FRAUD

Bruno Iorfido, a pharmacist and owner of Iorfido Family Pharmacy in Elk County, billed for hundreds of prescriptions or prescription refills to Medicaid and Highmark Blue Cross / Blue Shield that were not authorized by a doctor. Agents spoke to 25 different doctors who stated they did not authorize the hundreds of prescriptions or refills, totaling over \$60,000, that were billed by Iorfido from January 1996 through December 1999.

In November 2002, Iorfido was charged with Medicaid Fraud, Insurance Fraud and Theft by Deception.

#### MIFFLIN COUNTY NEGLECT & ABUSE

On May 9, 2002, Attorney General Mike Fisher's Medicaid Fraud Control Section charged Lloyd and Dorothea Latchford with neglecting an elderly woman.

Lloyd and Dorothea Latchford were the primary caretakers and powers of attorney for an 85-year-old Mifflin County woman. On November 3, 2000, the 85-year-old woman was pronounced dead at her residence

by the Mifflin County Coroner. An autopsy was performed, which found that the victim died from malnutrition and dehydration due to neglect. The victim's sheets from her bed were heavily soiled. According to the pathologist's report, the victim weighed 66 pounds and had multiple pressure ulcers, including one on her back with exposed bone and muscle.

The investigation revealed that the Latchfords' withdrew approximately \$21,000 from the victim's accounts. They admitted taking approximately \$1,000 per month for their personal use in exchange for providing care for the victim. In early 2000, the woman's health began to decline and, in August 2000, she became bedridden. During this time period, the Latchfords did not seek medical attention or any assistance to address the woman's declining health.

On July 30, 2002, Lloyd Latchford pleaded guilty to a first-degree felony, Neglect of Care-Dependant person, and was sentenced to 18 to 36 months in prison and a \$500 fine. On the same day, Dorothea Latchford pleaded guilty to a first-degree misdemeanor, Neglect of Care-Dependent person and was sentenced to 18 months in prison and a \$500 fine.

The Medicaid Fraud Control Section has been responsible for over \$11.3 million in court ordered restitution, fines and investigative costs.



# Tunkhannock pharmacist facing drug charges

By Bruce Bore

The Citizens Voice 4/24/01

A Wyoming County pharmacist faces at least 10 years in jail if he is convicted of selling painkillers without doctors' prescriptions.

State Police arrested Michael Jason Kerkowski, owner of The Medicine Shoppe on state Route 29, Eaton Township, Friday morning and charged him with three felony counts of delivering a controlled substance.

He was arraigned before District Justice Carl Smith and is free on \$10,000 cash bail, Wyoming County District Attorney George Skumanick said.

State and federal investigators are also looking into the possibility of insurance fraud.

"There was a significant amount of narcotics being dispensed from The Medicine

Shoppe — far above any therapeutic value or medical use," said Skumanick. "People were coming from all over Luzerne County and as far away as Nanticoke, because he had access to an unlimited supply of narcotics."

Kerkowski, 36, lives in Hamlock Creek, police said. He allegedly sold dihydrocodeinone (a generic name for Lorcet, Vicodin and Darvocet), a controlled substance, to an unlicensed doctor three times between Sept. 18, 2000 and Oct. 11, 2000, police said. He had "a pattern of dispensing" Oxycontin, Vicodin and Lorcet to patients without prescriptions, Skumanick said.

Oxycontin is a narcotic drug that is more rigidly controlled than Vicodin, he added. Pharmacists must file monthly written reports on their patients' use of Oxycontin with the state



Kerkowski

and federal police. "A confidential source was taking pres-

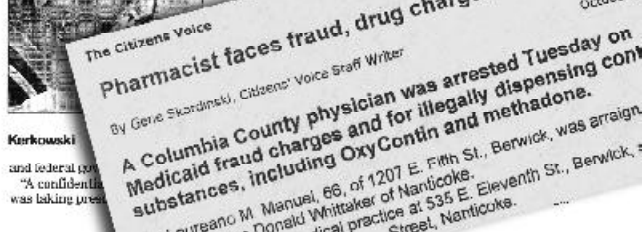
cription records and was trying to get off them," Skumanick said.

In the criminal complaint, Trouper, Michael Adams said he went with the informant to Kerkowski's drug store on Sept. 10 and bought 20 Lorcets without a prescription.

Kerkowski took the painkillers and was trying to get off them, Skumanick said.

are participating in the investigation, Skumanick said.

"They're going through every prescription in the place, looking for specific medications, and are investigating Kerkowski's records of transactions going to



## DOCTOR COMMITS MEDICAID FRAUD AND DRUG VIOLATION

In October 2001, Attorney General Mike Fisher announced the arrest of a Berwick doctor on Medicaid fraud charges and for illegally dispensing controlled substances, including OxyContin and methadone.

The investigation, which was conducted by agents of Fisher's Bureau of Narcotics Investigation, Medicaid Fraud Control agents and the Nanticoke City Police Department, found that Dr. Laureano Manuel, with offices in Columbia and Luzerne counties, was writing bogus prescriptions. Dr. Manuel would write prescriptions for patients in the names of other individuals and was unnecessarily prescribing OxyContin, methadone and other controlled substances to his patients. Many of the patients who received inappropriate prescriptions were Medical Assistance recipients. Dr. Manuel billed Medicaid for unnecessary office visits and caused pharmacies to submit claims to Medicaid for dispensing the drugs.

In September 2002, Dr. Manuel was sentenced to serve five to 10 years in prison, to pay \$1,140 to the Department of Public Welfare and to pay \$8,301 in expenses to the Office of Attorney General.

## PHILADELPHIA MEDICAID FRAUD

Brenda Lee, a health care aide, conspired with the mother of a Medicaid recipient to commit Medicaid Fraud. Lee was employed by Bayada Nurses, a New Jersey company under contract with the Pennsylvania Department of Public Welfare, to provide home health care services to Medicaid recipients. Bayada Nurses assisted Lee to care for the daughter of Susana Hall, a Philadelphia resident. Hall's daughter suffers from cerebral palsy and requires regular assistance to meet her daily health care needs.

Hall and Lee agreed that Lee would no longer provide care to Hall's daughter, but that Lee would continue to submit time slips to Bayada Nurses for the hours Lee was assigned to care for Hall's daughter. Hall and Lee agreed to split the money paid to Lee by Bayada Nurses for those hours of care.

Hall pleaded guilty to Medicaid Fraud and received 18 months probation, Lee was placed in the Philadelphia County Accelerated Rehabilitative Disposition Program (ARD) for a period of 12 months.

## PHARMACIST COMMITS MEDICAID & INSURANCE FRAUD

On November 30, 2001, the Pennsylvania Office of Attorney General, Medicaid Fraud Control Section filed charges against Michael J. Kerkowski, R.Ph., alleging that he violated Pennsylvania's Medicaid Fraud and Controlled Substance, Drug, Device and Cosmetic Acts. Kerkowski was the pharmacist, owner and manager of the Medicine Shoppe pharmacy, located in Tunkhannock, Wyoming County.

Kerkowski was fraudulently filling prescriptions and billing the Medical Assistance (MA) program as well as private insurance companies. In particular, he was refilling prescriptions too soon or filling prescriptions for controlled substances without a valid prescription. The billing profiles often indicated more refills than were depicted on the prescription bottles or prescriptions, resulting in \$59,632 of fraud. In addition, investigators discovered that he unlawfully provided controlled substances to "customers," including an individual who later died of a drug overdose.

On December 17, 2001, Kerkowski pleaded guilty to insurance fraud and violating the Controlled Substance, Drug, Device and Cosmetic Act. He also pleaded guilty to Medicaid fraud and recklessly endangering another person.

In June 2003, the bodies of Kerkowski and his girlfriend were found in a shallow grave behind a home in Kingston Township, Luzerne County. The investigation was continuing as of the publication date of this report.



## INSURANCE FRAUD SECTION

In March 1996, Pennsylvania's Insurance Fraud Section was formally launched — one of only eight such law enforcement units in the country. This Section aggressively investigates and prosecutes all types of insurance fraud including workers' compensation fraud, auto-related fraud, health care fraud, life insurance fraud and homeowner/commercial fraud. It is estimated that fraud schemes cost as much as 25 cents of every insurance dollar paid by Pennsylvanians.

This Section is funded by a grant from the Insurance Fraud Prevention Authority (IFPA), a quasi-governmental entity which utilizes funds obtained through an annual \$8 million assessment on all insurance companies doing business in the Commonwealth. The IFPA was created as part of a package of legislation signed into law in late 1994.

During the last two years, the Insurance Fraud Section has received 1,924 referrals, which resulted in 1,620 cases opened for investigative review. Since January 2001, 267 individuals have been arrested for insurance fraud-related crimes. The Insurance Fraud Section is responsible for more than \$3 million in court-ordered restitution and fines during the last two years.

### SIGNIFICANT CASES - 2001

#### DEAD MAN WALKING CASE

On June 18, 2001, Attorney General Mike Fisher announced that a former Easton man and his wife pleaded guilty and were sentenced to seven to 14 years in prison for stealing nearly \$1.6 million from insurance companies by faking the husband's death and then fleeing to Bangkok, Thailand.

Between December 1986 and December 1993, Lee Kongsiri purchased \$1,886,493 in life insurance policies from nine insurance companies. Then, in 1995, Lee and his wife, Phatcha, orchestrated Lee's phony death while he was visiting Thailand. Phatcha submitted false documents to obtain \$1,586,947 in death claim benefits. Two of the insurance companies, Allstate and Prudential, suspected fraud and refused to pay the claims.

The Kongsiris' scheme was uncovered when their son's in-laws traveled to Thailand for their 35<sup>th</sup> wedding anniversary and were met at the Bangkok airport by the Kongsiris. The couple, not knowing that the Kongsiris had faked Lee's death, filmed the meeting with them on their camcorder.

The Kongsiris were arrested by the Thai Royal Police on November 14, 1999 and incarcerated in a Bangkok prison. They were finally extradited to the United States on January 11, 2001.

The Kongsiris each pleaded guilty to seven counts of theft by deception, one count of insurance fraud and one count of criminal conspiracy. They were ordered to pay \$1,586,947 in restitution to the seven insurance companies and also agreed to forfeit all funds currently held by the Thai Government.

### Kongsiris' return sets state record for far extraditions

■ The former Palmer Township couple charged with insurance fraud have been returned from Thailand.

By JOE NIXON  
Of The Morning Call

The state attorney general's office has gone as far as Canada and Mexico to retrieve fugitives, but this week's trip to Thailand for insurance fraud suspects Lee and Phatcha Kongsiri was the longest, according to an agency spokesman.

"I think that's the farthest we've had to go to extradite somebody," said Kevin Harley, spokesman for Attorney General Mike Fisher.

Several years ago, the attorney general's office was on the hunt for fugitive Cambria County Judge Joseph O'Kicki, but O'Kicki died in Slova-

#### LANCASTER COUNTY DECEPTION CASE

Robert Greaves, a Lancaster County man, acted as a sales agent for various insurance companies in Lancaster County. Between May 14, 1996 and January 24, 1998, Greaves obtained payments for insurance policies from six different claims and failed to turn over the payments to United American Insurance Company and United Security Assurance Insurance Company. Instead, he deposited the money for his own use.

On August 3, 2001, Greaves pleaded guilty to theft by deception and failing to make required disposition of funds and was sentenced to eight to 23 months in the Lancaster County Prison to be followed by five years probation. Greaves was also ordered to pay \$18,686.25 to the six individuals who had been defrauded.





# Duo must repay \$1.5M in death scam

06/19/01

PITTSBURGH  
B Tribune-Review

The Couple sentenced for roles in drug scheme

By Robert Baird  
TRIBUNE-REVIEW  
Friday, April 26, 2002

ALL

Allegheny County assistant public defender and his wife were sentenced Thursday for illegally receiving prescriptions billed to a health care provider.

Article published Nov 16, 2001

Erie woman accused of stealing \$100,000 from six women

The state Attorney General's Office charged an Erie woman Thursday with stealing \$100,000 from six women who thought they were setting up certificates.

## SIGNIFICANT CASES -2002

### ERIE COUNTY INSURANCE AGENT CASE

On May 8, 2002 Attorney General Mike Fisher announced that an Erie insurance agent, Nicolette Beightol, pleaded guilty to eight felony counts of theft by deception for stealing more than \$100,000 from seven different clients, five of whom were senior citizens.

Beightol persuaded her clients to give her between \$6,000 and \$10,000 for purchasing certificates of deposit. In one instance, she received over \$53,000 over a six-month period for the purchase of an annuity. Beightol had her clients make out checks to a fictitious Chicago bank, MBTG, but actually deposited the money in her husband's company "Michael Beightol Tile Gallery."

Beightol was sentenced to serve 20 to 48 months in a state prison with a one year mandatory minimum sentence for theft from the elderly. She was also ordered to pay the costs of the prosecution and restitution to the victims totaling \$103,168.

### PHARMACY FRAUD IN ALLEGHENY COUNTY

Donna Walsh worked as a medical assistant for the Women's Health Group in Pittsburgh. As part of her employment responsibilities, she telephoned prescriptions into various pharmacies. Between September 23, 1996 and November 29, 1999, Donna Walsh abused her position by telephoning prescriptions for herself and her husband, Kevin Walsh, an Allegheny County Public Defender. The prescriptions included such drugs as Ultram, Toradol and Imitrex. At the direction of both Kevin and Donna Walsh, those prescriptions were billed to Highmark Insurance Company. As a result, Highmark paid \$15,762.92 to various

pharmacies for the unauthorized prescriptions.

On January 30, 2002, Donna Walsh tendered open guilty pleas to two felony counts of Insurance Fraud. She was sentenced to nine months of state incarceration, followed by six months in the county intermediate punishment program (IPP) to be served in drug treatment followed by 10 years of probation and ordered to pay restitution.

On January 30, 2002, Kevin Walsh tendered open guilty pleas to five counts of Pharmacy Act violations. He was sentenced to six to 23 months in prison followed by three years of probation and ordered to pay restitution.

### MONTGOMERY COUNTY INSURANCE FRAUD

Sharonda Burnett was employed by American Independent Insurance Company as an accounting clerk. In September and October of 2000, Burnett issued eleven settlement checks, totaling \$86,400 to 10 of her friends. Burnett charged the amount of each check to American Independent claim files that had previously been settled and closed. The proceeds were split between Burnett and each of the other ten individuals. Burnett and the 10 co-conspirators were arrested and charged with insurance fraud, theft and conspiracy.

All 11 pleaded guilty and sentenced to various charges. The sentences range from probation for some to jail time for others. For Burnett's role as the ring leader of the scheme, she was sentenced to 18 to 59½ months in Montgomery County Prison for the theft charge, five years consecutive probation on the conspiracy charge and another consecutive five years probation for the insurance fraud charge and further ordered to pay full restitution to American Independent Insurance Company.

# APPEALS AND LEGAL SERVICES

Appeals and Legal Services represents the Commonwealth in criminal appeals in which the Office of Attorney General files amicus curiae (“friend of the court”) briefs concerning important legal issues that arise in cases prosecuted by county district attorneys. In addition, the section intervenes in cases where state statutes are challenged as unconstitutional.

This section coordinates and schedules all matters to be brought before statewide investigating grand juries and handles all legal issues that arise in statewide investigating grand jury proceedings.

The attorneys also review all extradition requests before they are submitted to the Governor for action. They also analyze and review pending legislation and recommend suggested positions for the Office of Attorney General on such legislation.

## SIGNIFICANT CASES - 2001

### COMMONWEALTH v. WEISS

The Pennsylvania Supreme Court upheld the first-degree murder conviction and death sentence of Ronald Lee Weiss for the 1978 murder of 16-year-old Barbara Bruzda.

Bruzda was last seen alive on October 23, 1978, when she and Weiss both left a party. Before leaving the party Weiss had borrowed a jack and tire iron. Hikers discovered Bruzda's battered body in March of 1979, wrapped in a quilt in a remote area of Indiana County. Massive injuries to her head were inflicted by a metal pipe or tire iron.

In upholding the conviction, the Pennsylvania Supreme Court reiterated that disclosure of confidential communications made during a marriage is prohibited even following the dissolution of the marriage. However, the court held that testimony of the defendant's former wife, concerning blood she found in the back of her car the morning after Bruzda disappeared and her identification of the quilt the victim was found in, did not include any confidential communication and was admissible evidence.

## SIGNIFICANT CASES - 2002

### COMMONWEALTH v. DRUMHELLER

In 2002 the Pennsylvania Supreme Court upheld the first-degree murder conviction of Troy Drumheller, who was sentenced to death for the 1999 stabbing death of his estranged girlfriend, Carol Huttenstine.

In upholding the conviction, the court ruled that it was admissible for prosecutors to introduce information about several protection-from-abuse orders (PFAs) obtained by Huttenstine against Drumheller. Those PFAs were used to outline the history of a violent and abusive relationship and demonstrated Drumheller's motive, malice and ill-will toward his victim.

## Halt Lambert case, AG urges

Asks circuit court to intervene as Judge Dalzell reviews case

Court upholds Indiana man's death sentence

Saturday, July 28, 2001

Tom Gibb, Post-Gazette Staff Writer

moving forward — and possibly before the only person that an Indiana County jury has placed among convicted killers on Pennsylvania's Death Row is... State prosecutors

### COMMONWEALTH v. LAMBERT

In 1992, Lisa Michelle Lambert was convicted of first-degree murder and sentenced to life in prison for the brutal slaying of 16-year-old Laurie Show in her Lancaster County home.

In 1997, U.S. District Judge Stewart Dalzell overturned Lambert's conviction. Less than a year later in February 1998, the Third U.S. Circuit Court of Appeals reinstated Lambert's conviction and sent her back to prison. Lambert was left to continue her appeals in the state courts.

In August 1998, Lancaster County Judge Lawrence Stengel upheld Lambert's conviction. Lambert appealed that decision to the Pennsylvania Superior Court, which rejected her efforts to reverse the

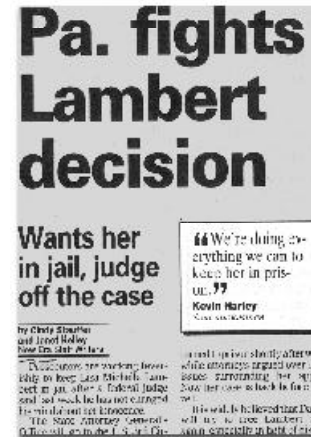


Lancaster County Court decision that upheld her conviction.

Following the Superior Court's decision, Lambert requested a hearing before the U.S. Supreme Court. On March 19, 2001, the U.S. Supreme Court rejected Lambert's request for the hearing.

In January of 2001, Lambert also resumed efforts to move her case back to the courtroom of U.S. District Judge Stewart Dalzell – who had set her free in April of 1997.

Anticipating the case's return to U.S. District Court, Attorney General Mike Fisher filed a motion asking Judge Dalzell to recuse himself from any further involvement in the Lambert case. On January 18, 2002, Dalzell, who had previously granted Lambert relief and to whom her current case was originally assigned, granted Fisher's motion asking that he recuse himself.



## COMPUTER FORENSICS SECTION & UNIT

The Computer Forensics Section (CFS) was created in April 2001 and is partially funded by the Pennsylvania Commission on Crime and Delinquency (PCCD). This section is comprised of highly trained and experienced lawyers and agents in the field of high technology crime. The CFS provides high-tech crime litigation support for Office of Attorney General investigators and prosecutors. The primary mission of the CFS is to provide broad-based legal and investigative assistance in every phase of high-tech investigations and prosecutions.

The Computer Forensics Unit (CFU) provides broad-based investigative assistance, including computer forensics data recovery and analysis and assistance in the execution of computer search warrants. The services of the Computer Forensics Section and Unit are provided to the Office of Attorney General and also to all federal, state and local law enforcement agencies requesting assistance.

Prosecutors from various states and various counties within Pennsylvania have frequently contacted the CFS for consultation on high-tech crime issues. The CFS has been able to provide assistance for issues such as tracing e-mail, where to report Internet fraud and correct language for a search warrant.

### A breakdown of the type of cases the CFU has assisted during 2001:

Child Pornography/Exploitation	<b>35</b>
Forgery/Theft and General Fraud	<b>18</b>
Drugs/Money Laundering	<b>8</b>
Insurance/Medicaid Fraud	<b>5</b>
Environmental Crimes	<b>4</b>
Homicide	<b>3</b>
General Tech Assistance	<b>3</b>
Computer Intrusion	<b>2</b>
Other	<b>8</b>
<b>TOTAL</b>	<b>86</b>



## INSIDE THE CAPITOL

### A way to help fight child porn on Web

Attorney General Mike Fisher wants the public to help root out child pornography on the Internet.

His Child Sexual Exploitation Unit is asking Web users to report such online porn by filling out a complaint form available on the agency's Web site: [www.attorneygeneral.gov](http://www.attorneygeneral.gov).

Fisher's office is responsible for enforcing a new law that requires Internet service providers to deny access to child pornographic material on their service that is accessible in Pennsylvania.

## CHILD SEXUAL EXPLOITATION UNIT

The Child Sexual Exploitation Unit (CSEU) was created in the Spring of 2002 to enforce Act 5 of 2002, the Internet Service Provider (ISP) Child Pornography Bill.

This law requires that ISPs block access to websites identified as containing illegal child pornography. In 2002, the CSEU investigated 1,048 complaints regarding websites and e-mail solicitations. Of the original complaints, 40 percent (or 423) led to child pornography web sites. The CSEU responded to the 423 complaints with an informal notice to each of the ISPs. Of the ISPs contacted, only WorldCom, Inc. did not comply with the informal notice.

In September 2002, the Office of Attorney General (OAG) filed an application in the Court of Common Pleas of Montgomery County. The court granted the OAG's application and a statutory notification was served by the OAG on WorldCom, Inc., who complied with the court's order and the OAG's statutory notification.

## WITNESS PROTECTION PROGRAM

In March, 2002, the Office of Attorney General launched the Witness Protection Program. The purpose of this program is to provide assistance in the relocation of witnesses on felony cases who have been threatened or harmed solely because of their status as witnesses. The program assists local police, the State Police, District Attorney's Offices and other law enforcement agencies within the Commonwealth. The program also assists in protecting relatives of witnesses who are at risk solely because of this relationship. Since its inception, the program has handled 53 different matters, most involving relocations of more than one individual. These matters arose out of referrals from 18 different law enforcement agencies.

## City, state leaders seek witness protection funds

Rising homicide on the level of violence in the city spurs call for witness protection program

By Dan Murphy  
PITTSBURGH TRIBUNE-STAR

Pittsburgh officials from the city and state are developing a plan to create a witness protection program, a move that will be discussed at a summit on Tuesday. U.S. Senators Arlen Specter and Rick Santorum invited Wednesday's participants, social service leaders and community

### What's next

A meeting is scheduled Tuesday at the Allegheny County Jail, Downtown, to discuss crime and the witness protection program.



# CORPORATE RESPONSIBILITY

Attorney General Mike Fisher has always taken a hard line in cases involving financial fraud, but as the nation's investors reeled from the impact of Enron and other business scandals, he called for changes in state law to allow more aggressive prosecution of corporate criminals.

Maintaining that "we need to use all our resources to expose the corporate crooks whose greed is fed by defrauding Pennsylvania investors," Attorney General Fisher called on lawmakers to amend state law to give regulators and prosecutors more power. Specifically, he called for violations of the Securities Act to be added to the list of racketeering offenses included in the state's Corrupt Organizations Act. He argued that the racketeering act is used to go after drug dealers and other criminals who run their illegal enterprises as businesses, and prosecutors should be able to use the same tools to go after white-collar criminals who seek to generate illegal profit from their businesses.

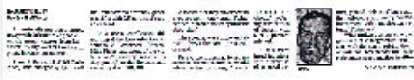
Attorney General Fisher also called for changes to Pennsylvania Securities Act, giving the Office of Attorney General the jurisdiction to investigate and prosecute cases of corporate fraud. Current state law requires that cases be referred to the Attorney General by the Pennsylvania Securities Commission.

In addition, the Attorney General also called for increasing the severity of violations to the state's Securities Act, allowing for prison terms of up to seven years. He also called for increasing the offenses for fraudulent sales, defrauding a non-profit organization or defrauding public schools, allowing for prison terms of up to 10 years in those cases.

Charges were brought in two major financial fraud cases in 2002. Robert Atkinson, from Brackenridge in Allegheny County, was charged with bilking more than 100 investors out of \$7.2 million by convincing them that he had a plan to salvage old railroad equipment and resell it at an enormous profit. Fisher called the scheme "pure fiction" and charged Atkinson with more than 300 counts of theft by deception, deceptive or fraudulent business practices and other related offenses.

Fisher also charged a Lancaster County man with selling more than \$3.1 million in fraudulent investments to more than 75 investors, most of whom were senior citizens. Allen J. Perry was accused of luring older investors with promises of high returns with no risk. Investors lost millions of dollars which were supposed to help support them during retirement. Perry was charged with more than 200 offenses, including selling unregistered securities, acting as a broker-dealer or agent without a license and engaging in fraudulent or prohibited practices.

## Landisville man charged with swindling elderly out of \$3.1M



## Attorney general proposes tougher battle plan against corporate fraud

Enron collapse costs Carbon  
HARRISBURG (AP) — Attorney General Mike Fisher on Monday proposed tougher rules on "corporate crooks" and called for more resources to do the job.  
Fisher plan targets corporate fraud  
"We can't afford to let the cases of corporate fraud," Fisher said in a conference at his offices. "We too, I believe, must be vigilant at the state level."

Based on Attorney General Mike Fisher's recommendations, legislation to toughen Pennsylvania's penalties for corporate corruption was introduced in the General Assembly during the fall of 2002. Those measures failed to pass before the end of the session, but similar proposals to toughen Pennsylvania law for corporate criminals have now been re-introduced.

# FIGHTING DRUGS IN PENNSYLVANIA



Since his first day in office, Attorney General Mike Fisher's number one priority has been fighting the war against drugs in Pennsylvania communities. From January 1997 through December 2002, the Attorney General's Municipal Drug Task Force program has arrested more than 25,000 street-level drug dealers operating in Pennsylvania. The Task Force program provides funding to district attorneys and municipalities to help fight the local war against drugs. In many Pennsylvania counties, the Attorney General's Drug Task Force is the primary weapon against drug trafficking.

There are two types of drug task forces funded by the Office of Attorney General: District Attorney – controlled task forces and Office of Attorney General – controlled task forces. Currently, 64 out of 67 counties in Pennsylvania participate in the Attorney General's Municipal Drug Task Force program. During the last two years, Attorney General Fisher joined local district attorneys and law enforcement officials in establishing Drug Task Forces in Bedford and Greene counties.

During the last few years, Pennsylvania has seen a rise in the abuse of two types of drugs: "Club Drugs" which include - Ecstasy, Ketamine and GHB (Gamma Hydroxybutyric Acid) and prescription drugs, such as - OxyContin, Oxycodone and Vicadin. Attorney General Fisher has been a leader in educating law enforcement officials and the public about the dangers of these drugs.

In addition to the club and prescription drugs, Attorney General Fisher's drug agents continue to fight the spread of drugs such as marijuana, cocaine and heroin from the urban areas into the small towns and rural regions. Attorney General Fisher realizes that fighting drugs isn't only about targeting drug dealers, it is also about reducing the demand for drugs. Mike Fisher's drug information programs educate young people, parents, teachers and community leaders about the dangers of drug abuse.

As long as there is a market for drugs, the Office of Attorney General will continue to investigate, arrest and prosecute the drug pushers who prey on our children and neighborhoods.



"We are destroying our future with illegal drugs. These drugs are killing our young people, and the crime that is necessary to fund their habits is ripping our communities apart."

2001 Crime Prevention Seminar  
October 2, 2001  
Harrisburg



## BUREAU OF NARCOTICS INVESTIGATION AND DRUG CONTROL

The Bureau of Narcotics Investigation (BNI) and Drug Control has nine regional offices throughout the Commonwealth of Pennsylvania, with headquarters in Harrisburg. With more than 180 sworn narcotics agents, the Bureau enforces the Controlled Substance, Drug Device and Cosmetic Act and other related statutes.

Upon taking office, Attorney General Mike Fisher established the following priorities for the Bureau:

- Target mid- to upper-level drug traffickers
- Increase efforts in interdiction
- Cooperate with federal, state and local law enforcement
- Provide OAG Municipal Drug Task Forces with funding, training and leadership
- Investigate the diversion of legal drugs into illegal channels



## ORGANIZED CRIME & NARCOTICS

Organized Crime and Narcotics within the Criminal Law Division of the Pennsylvania Office of Attorney General consists of three sections:

1. The Drug Strike Force Section
2. The Asset Forfeiture & Money Laundering Section
3. The Organized Crime Section



## DRUG STRIKE FORCE SECTION

The Drug Strike Force Section attorneys, stationed at each of the Regional Drug Strike Force Offices, supervise the drug investigations across the Commonwealth. They are also available to assist any regional Municipal Drug Task Force members and / or police personnel in the same fashion.

### SIGNIFICANT CASES

#### LACKAWANNA COUNTY STEROID CASE

In 2001, two former Carbondale Police Officers, John Reuther and Lance Penzone, pleaded guilty to purchasing steroids while they were police officers. They both resigned as a result of their pleas.

Reuther and Penzone were involved in an illegal steroid trafficking ring operating in Lackawanna County. The investigation into the trafficking ring led agents of Attorney General Mike Fisher's Bureau of Narcotics Investigation (BNI) to a Clarks Summit doctor. BNI agents found that Dr. Charles Connors, a physician who practiced in Dunmore and Scranton, illegally administered anabolic steroids to area body builders between 1995 and 1998.

Dr. Connors admitted to illegally administering the steroids and was sentenced to 12 to 24 months in prison, two years probation, forfeited \$72,500 to the Commonwealth of Pennsylvania and was suspended from the practice of medicine.

The investigation also produced the conviction of Peter Sepling, a key distributor of the steroids in Lackawanna and Luzerne counties. Sepling was sentenced to six to 18 months in prison.

#### ALLEGHENY COUNTY REVERSE STING OPERATION

On October 25, 2001 Bureau of Narcotics Investigation agents along with Pennsylvania State Police (PSP) troopers conducted a reverse sting operation for 22 kilos of cocaine at a Red Roof Inn located in Monroeville, Allegheny County. Darnell Howell purchased 22 kilos of cocaine and 12-14 grams of heroin provided by the Office of Attorney General, from a confidential informant for \$66,035. The \$66,035 was seized. The illegal drugs remain in the custody of the OAG.

Howell was charged with possession, possession with intent, corrupt organization and criminal conspiracy.



#### Meth: Cops bust meth ring in Bucks

Six suspects have been arrested following a 13-month state probe into methamphetamine trafficking in Bucks.

By LAURIE MASON  
Courier Times  
E-mail



Attorney General Mike Fisher announces arrests in a methamphetamine trafficking ring during a press at the Bucks County Courthouse.

The first time undercover narcotics agents visited Ivan Soltoff at his home, which was surrounded by a barbed-wire fence, they said they heard the suspected drug dealer's girlfriend shouting obscenities from the kitchen.

She screamed an expletive at Soltoff, then fired off another round of curse words. "I told you never to bring anybody to the [expletive] house. This is how people get caught. ... If you let people come to the house, soon they're bringing cops and that's how people get arrested."

#### BUCKS COUNTY METH RING

In April 2001, BNI agents, with assistance from the Bucks County District Attorney's Office, arrested six members of a methamphetamine trafficking ring in Bucks County.

The investigation revealed that Klaus Haeuser of Levittown was the main supplier of the methamphetamine. Haeuser, a member of the Breed Motorcycle Club, had owned the Academy Cycle Shop in Bristol, Bucks County, which went out of business in 1998. The investigation also found that in 1999, Haeuser cashed out \$461,007 from the Sands Casino in Atlantic City and that he had nine vehicles registered to him, many of them late model vehicles, along with a 21-foot boat. Haeuser was sentenced to eight to 16 years in prison.

#### ALLEGHENY COUNTY COCAINE BUST

On November 21, 2001, Attorney General Mike Fisher announced the break-up of a California to Allegheny County cocaine trafficking ring. BNI agents, along with detectives of the Pittsburgh Police Department's Office of Narcotics Investigation (ONI), seized 18 kilos of cocaine, with an estimated street value of \$5.4 million.


Fisher's BNI agents and ONI detectives revealed that two Los Angeles, California residents, Dominique Hatchett and Eric Brown, came to Pittsburgh and registered at local hotels. The cocaine was then shipped either directly to the hotel where they were registered or to another hotel nearby.





# ATTORNEY GENERAL MIKE FISHER BREAKS UP LARGEST ECSTASY LAB ON THE EAST COAST

Embedded in the side of the mountain and buried under boulders in the small town of Bangor in Northampton County lay a drug lab capable of pumping out as many as one million tablets of Ecstasy. Termed "The Citadel" for its fortress-like appearance, this lab was considered one of the largest ecstasy operations in the eastern half of the United States. Agents of Attorney General Mike Fisher's Bureau of Narcotics Investigation (BNI) moved in on this operation and managed to seize and shut down the lab in December 2002.



## POLICELLI ECSTASY INVESTIGATION

Among the charges are:

- two counts of participating in a corrupt organization
- two counts of illegal manufacturing, possession and distribution of Ecstasy
- one count of criminal conspiracy

Duane **POLICELLI**

PENNSYLVANIA  
OFFICE OF ATTORNEY GENERAL

MIKE FISHER, ATTORNEY GENERAL

On December 10, Fisher's agents executed a search warrant at the home of Bangor resident Duane Policelli, 51, where they discovered the drug-manufacturing lab inside a 30,000-gallon steel drum beneath his driveway. Behind a door hidden by boulders and brush, BNI and Environmental Crimes agents found thousands of dollars of laboratory equipment used to manufacture Ecstasy.

Agents also executed a search warrant at a warehouse that Policelli rented at 717 Garibaldi Avenue in Roseto. There, they uncovered 30- and 50-gallon drums full of chemicals including caustic soda, acetone, acetic acid, sodium nitrite, formic, hydrogen peroxide and calcium oxide, among others. Fisher said the charges allege that Policelli transported chemicals to his Valley View Drive property.

On December 12, Fisher's BNI agents arrested Policelli, charging him with one count of criminal conspiracy, two counts of participating in a corrupt organization and two counts of illegal manufacturing, possession and distribution of Ecstasy. If convicted of all charges, Policelli could face a maximum penalty of 70 years in prison.

With this bust, Fisher may have cut off what is believed to be a major Ecstasy pipeline stretching the entire length of the Eastern seaboard.

Policelli is currently awaiting trial in Northampton County Court. He is being prosecuted by Senior Deputy Attorney General Larry Cherba of Fisher's Drug Strike Force Section in Allentown.



## ASSET FORFEITURE & MONEY LAUNDERING

In battling drug dealers, Attorney General Mike Fisher has actively sought to seize their assets under the Controlled Substances Forfeiture Act. The monies derived from these seizures and forfeitures are, in turn, used by law enforcement to help fund the war on drugs and to help community-based drug and crime-fighting programs.

Attorney General Fisher's Asset Forfeiture and Money Laundering Section consists of attorneys located in Harrisburg, Butler, Philadelphia and Pittsburgh. These attorneys are primarily responsible for the litigation of asset forfeiture cases, including the forfeiture of real estate, cash, automobiles, jewelry, bank accounts and other financial instruments.

### SIGNIFICANT CASES - 2001

#### BUCKS COUNTY SEIZURE

In April 2001, agents from Attorney General Mike Fisher's Bureau of Narcotics Investigation broke up a Bucks County methamphetamine trafficking ring. The arrests were the result of a 13-month grand jury investigation into methamphetamine trafficking in Bucks County.

In October 2001, Fisher's BNI agents seized two residences, one valued at approximately \$210,000, and the other value at \$52,000, three handguns, a 1977 Ford Pickup Truck and a 1976 Bayliner Boat. The proceeds from the property will be used by the Office of Attorney General to investigate other drug dealers and for drug education efforts.

#### FAYETTE COUNTY SEIZURE

In April 2000, agents from Attorney General Mike Fisher's Bureau of Criminal Investigations (BCI) and Bureau of Narcotics Investigation arrested members of a multi-million-dollar cocaine ring in Western Pennsylvania. The drug ring funneled drugs from the Dominican Republic through New York City to Fayette County.

The 11-month investigation into the drug ring focused on the activities of Gary Ramsey of Fayette County. The Ramsey drug ring imported as much as 163 kilos of cocaine, with a street value of nearly \$8.5 million.

Attorney General Fisher's Asset Forfeiture and Money Laundering Section seized \$52,221, a truck, computer equipment and Ramsey's house and property. In the agreement, Pennsylvania will receive the first \$115,000 net proceeds from the sale of the house and property.

#### PHILADELPHIA SEIZURE

In July 2000, agents from Attorney General Mike Fisher's Bureau of Narcotics Investigation purchased cocaine from Wayne Jones of Philadelphia. Fisher's BNI agents obtained a search warrant for Jones' house.



Pennsylvania Attorney General Mike Fisher, right, and Deputy Attorney General David L. Heston, left, stand behind a table displaying evidence seized from the home of a person involved in a drug case. The evidence includes a large white bag, a box, and a small framed photo of a person.

### 5 arrested for drugs 1 is former Adams Twp. resident



The agents seized 422 grams of cocaine and \$36,365 from Jones' home. Three days later, BNI agents seized jewelry and an additional \$72,161 from a safe deposit box. They also froze \$55,684 in savings accounts.

The case settled in October 2001, with the Office of Attorney General returning \$25,000 and keeping the remaining seized valuables and money.

#### INDIANA COUNTY BAR FORFEITED

In December 2001, Attorney General Mike Fisher's Asset Forfeiture and Money Laundering Section seized Skunk's Grill in Indiana County. The bar and real property associated with the bar were forfeited after numerous purchases of controlled substances were made at the bar and from individuals associated with the bar.

#### BUTLER COUNTY SEIZURE

Attorney General Mike Fisher's Asset Forfeiture and Money Laundering Section seized \$15,494, three vehicles, a mobile home and a house in Butler County. The items were seized as the result of an investigation into drug trafficking in Butler County by the Office of Attorney General and the Pennsylvania State Police.



## SIGNIFICANT CASES - 2001

### BERKS COUNTY LAUNDROMAT

In August 2001, agents from Attorney General Mike Fisher's Bureau of Narcotics Investigation executed a search and seizure warrant at a Berks County Laundromat. Agents seized documents and receipts related to an investigation into illegal money transfers.

In May 2002, Attorney General Mike Fisher charged Alex Jose Loaiza of Berks County with dealing in proceeds of unlawful activity, attempted dealing in proceeds of unlawful activities, criminal use of a communication facility and criminal conspiracy.

Loaiza was charged after an undercover investigation into money transfers that were made at a Western Union wire transmittal service operated by Loaiza. A BNI agent posed as a drug dealer who wanted to wire money using fake identifications that clearly did not belong to him.

In addition to accepting the agent's fake identification, Loaiza also allowed the agent to transfer money that the agent told Loaiza was from the sale of drugs. On numerous occasions transfers were made in dollar amounts that would avoid filing a Federal Currency Transaction Report, which requires identification, a social security number and other information for anyone attempting to wire money in an amount of \$10,000 or greater.

### VALLE ORGANIZATION

In September 2002, six members of a cocaine ring operating in Lehigh, Northampton and Monroe counties were charged with corrupt organizations, criminal conspiracy to commit violations of the Controlled Substance, Drug, Device and Cosmetic Act and the unlawful use of a communication facility. The charges were the result of an extensive cocaine investigation by agents from Attorney General Mike Fisher's Bureau of Narcotics Investigation (BNI).

As a result of the investigation, over two and a quarter kilograms of cocaine were seized. BNI agents also seized \$13,000, two automobiles, a motorcycle, two scales and a .25 caliber handgun.

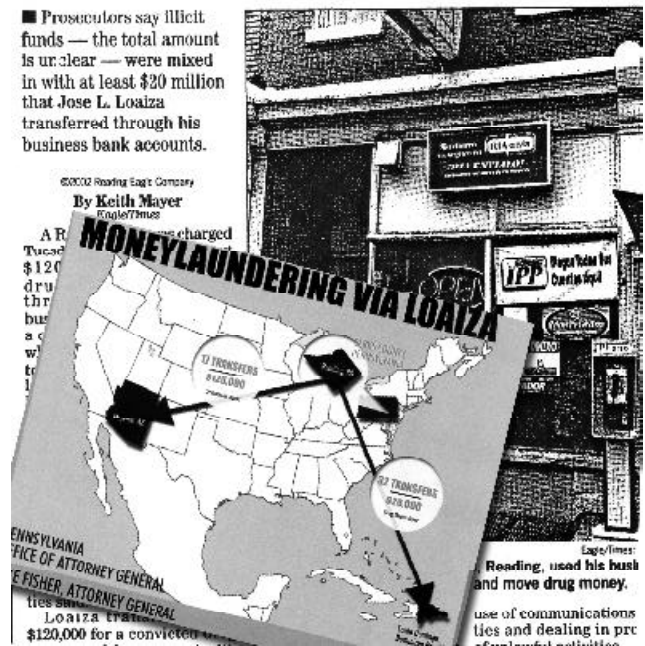
### DRUG BUST FORFEITURE

In April 2001, agents from Attorney General Mike Fisher's Bureau of Narcotics Investigation arrested Jeffrey Meyers for dealing cocaine. BNI agents recovered over 300 grams of cocaine from Meyers and his home. Agents also seized over \$93,000, a digital scale, a laptop computer and three loaded handguns.

On March 6, 2002, the Asset Forfeiture and Money Laundering Section reached a forfeiture agreement with Meyers' attorney that Meyers' would have to forfeit all but \$5,000 to the Commonwealth of Pennsylvania.

## City businessman charged in laundering of drug money

■ Prosecutors say illicit funds — the total amount is unclear — were mixed in with at least \$20 million that Jose L. Loaiza transferred through his business bank accounts.



### PHILADELPHIA SEIZURE

In May 2001, a confidential informant informed agents that he was to deliver approximately 50 pounds of marijuana to an unknown customer in exchange for over \$100,000. The BNI agents and Philadelphia police officers followed the informant to where the exchange was to occur and shortly thereafter stopped David Feinstein and received written consent to search his car and his apartment.

In Feinstein's car, agents recovered and seized \$161,186, a loaded handgun and a Rolex watch. At Feinstein's apartment, agents also discovered and seized a marijuana-growing hydroponics laboratory complete with an irrigation system, lamps, timers and growing chemicals. Agents also discovered 42 growing marijuana plants. In June 2002, the property was forfeited to the Commonwealth of Pennsylvania.

## ORGANIZED CRIME SECTION

The attorneys and agents who serve in the Office of Attorney General's Organized Crime Section are experienced in the field of organized criminal activity and narcotics. The primary mission of this section is to investigate and prosecute organized criminal enterprises, including gangs, whose principal predicate offenses involve drug trafficking. The Organized Crime Section coordinates the investigative activities of the Organized Crime Unit of the Bureau of Narcotics Investigation (BNI) and the Organized Crime Division of the Pennsylvania State Police.

### Borgesi gets 14-year sentence; Merlino's home raided



## SIGNIFICANT CASES - 2001

### OPERATION TROPICAL STORM

In September 2000, Attorney General Mike Fisher, Chester County District Attorney Anthony Sarcione and the Pennsylvania State Police announced the arrests of 13 members of a \$12 million marijuana trafficking ring operating in southeastern Pennsylvania.

The investigation, known as Operation Tropical Storm, revealed that the organization, run by numerous Jamaican nationals, shipped approximately 230 pounds of marijuana every 10 days from Los Angeles, California into the West Chester area. The members of the organization in Pennsylvania, in turn, shipped hundreds of thousands of dollars to California monthly to obtain the marijuana. The organization was responsible for shipping more than 6,000 pounds of marijuana annually into southeastern Pennsylvania.

During the course of the investigation, state police seized more than 200 pounds of marijuana, \$87,000 in cash, seven firearms, four vehicles, two motorcycles and assorted drug paraphernalia.

The investigation identified Gary Doyen of Philadelphia as the leader of the organization. The investigation identified the California supplier as David Lennon of Gardena, California.

In April 2002, after guilty pleas were obtained from eight members of the organization, the three leaders of the organization, Gary Doyen, Glenford Thompson and Errol Brown, along with Doyen's father Lloyd Doyen were found guilty by a Chester County jury. Doyen and Thompson received 25 year minimum prison sentences, while Brown received a 13 year minimum sentence. All of the other major members of the organization also received state prison sentences.

### PHILADELPHIA COCAINE TRAFFICKING

In May 2002, William Rinick, an associate of the Philadelphia organized crime family and close associate of former crime family boss Joseph "Joey" Merlino, was arrested and charged with the murder of Adam Finelli.

The investigation into Rinick revealed drug trafficking by Rinick, his drug associate, Michael Focoso and Joseph Viola. The investigation also revealed evidence of the homicide of Adam Finelli, which occurred on October 31, 2001.

In August 2002, Focoso pleaded guilty in federal court to conspiracy to distribute in excess of five kilograms of cocaine and other related charges. Focoso agreed to cooperate and testify concerning Rinick's drug trafficking activities as well as the murder of Finelli.

In January 2003, Viola also pleaded guilty to conspiracy to distribute in excess of five kilograms of cocaine. On January 21, 2003, a jury found Rinick guilty on all counts, including numerous deliveries of cocaine and conspiracy to distribute in excess of five kilograms of cocaine.

### BUCKS COUNTY MARIJUANA & COCAINE RING

On December 8, 2002, agents of the Office of Attorney General's Organized Crime Section and Bucks County detectives arrested eight cocaine and marijuana dealers who attempted to transport 10 kilos of cocaine and 50 pounds of marijuana into Bucks County.

The cocaine and marijuana originated from sources in Los Angeles,



California and were shipped to southeastern Pennsylvania in a commercial moving truck. The drugs were transferred from the moving truck in West Goshen, Chester County and put into two automobiles. The vehicles were pulled over by authorities on the Pennsylvania Turnpike. The agents and County Detectives obtained search warrants for the vehicles and discovered 10-kilos of cocaine with an estimated street value of more than \$1 million and 50 pounds of marijuana with an estimated street value \$115,000.

The year-long investigation revealed Steven Carnivale of Bristol, Bucks County as the ring leader of the cocaine and marijuana ring. Agents also searched Carnivale's residence and discovered \$40,000 in cash underneath the mattress of Carnivale's bed. Arrested with Carnivale were several of his associates in addition to four California residents who were responsible for transporting the cocaine and marijuana into Pennsylvania.

### MONESSEN COCAINE RING

In October 2002, Attorney General Mike Fisher announced the arrests of 51 suspects accused of selling and buying cocaine, marijuana, OxyContin and other prescription drugs in Monessen, Westmoreland County.

The investigation into the cocaine and drug ring by agents of the Attorney General's Bureau of Narcotics Investigation and police officers from Westmoreland and Washington counties began in January 2002 after Monessen officials asked the Office of Attorney General for assistance.

Prosecutors presented evidence of the cocaine ring before a statewide investigating grand jury, which recommended that Attorney General Fisher file the charges. During the investigation, BNI agents made 17 undercover cocaine purchases, ranging from a \$50 rock of crack cocaine to 10 ounces of powder cocaine worth \$12,000. As the result of nine search warrants between May and October 2002, BNI agents seized approximately two kilos of cocaine, 10 handguns, six vehicles, six truckloads of furniture and \$30,000 in cash.

### LUZERNE COUNTY COCAINE RING

In October 2002, agents of the Attorney General's Bureau of Narcotics Investigation arrested four members of a Luzerne County heroin and cocaine trafficking organization.

BNI agents found that the organization sold drugs at local hotels, restaurants and shopping malls. The organization had ties to the Philadelphia street gang "DBD" (Death Before Dishonor) and used juveniles to transport the heroin from Philadelphia to the Wilkes-Barre area.

### BEAVER COUNTY DRUG ORGANIZATION

In 2001, the Office of Attorney General's Bureau of Narcotics Investigation began a major investigation into the drug trafficking activities in the Aliquippa, Beaver County area.

On March 15, 2001, during the investigation, Officer James Naim of the Aliquippa Police Department was killed in the line of duty. BNI assisted the Pennsylvania State Police in the investigation and the apprehension of Jamie Brown, who was accused of Officer Naim's murder. Brown was one of the drug traffickers being investigated by BNI agents.

The Office of Attorney General, along with the Pennsylvania State Police, assumed jurisdiction for the investigation and prosecution of individuals involved in the death of Officer Naim. In May 2002, a jury convicted Jamie Brown for the murder of Officer Naim.

In 2002, BNI made 28 arrests of drug traffickers and seized 12 kilos of cocaine as a result of the Beaver County drug investigation.

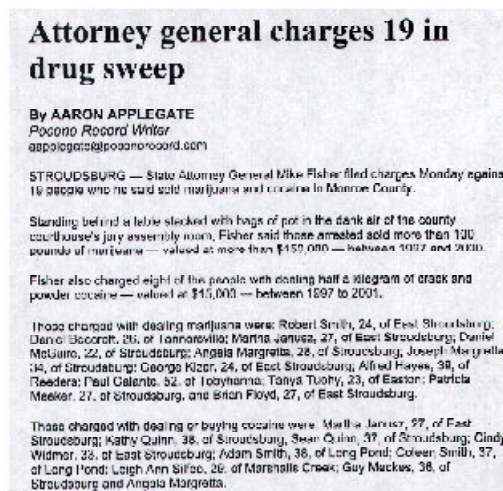
### WESTERN PENNSYLVANIA DOG FIGHT RING

In October 2002, Attorney General Mike Fisher announced the arrests of six individuals on charges of cruelty to animals, violations of the Controlled Substance, Drug, Device and Cosmetic Act and conspiracy.

The grand jury investigation identified Richard Henderson of Bedford County as an advisor for dogfighters in western Pennsylvania. Henderson would give information on the training of pit bulls for participation in dogfights. In addition to advice, Henderson dispensed steroids, medicines, surgical staple guns and other medical devices used for treatment of dogs that were injured in fights. The grand jury also found that Henderson invented an electrical shocking device which was sold for the purpose of killing dogs that were either injured or poor fighters.

One of the dog fighters who purchased Henderson's shocking device was Thomas Ackerman of McKeesport, Allegheny County. Ackerman hosted pit bull fights in the basement of one of his homes. In search warrants executed at Ackerman's properties, police officers found remnants of a dog fighting pit, treadmills with blood on the sides, the shocking device purchased from Henderson and the decomposing body of a pit bull that Ackerman had killed.

As a result of the investigation, police also apprehended Robert Cooper, the owner of an Allegheny County pet shop, for promoting dog fights and Dale Shaw, another dog fighter in western Pennsylvania. Police seized 10 pit bulls from Shaw's residence along with numerous dog fighting articles and publications.



# SAFEGUARDING PENNSYLVANIANS: **PUBLIC PROTECTION DIVISION**

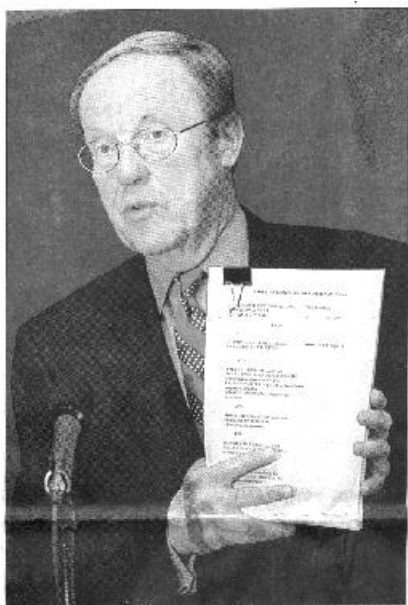
From guarding Pennsylvania seniors against telemarketing scams to fighting for Civil Rights, Attorney General Mike Fisher has aggressively utilized his Public Protection Division to safeguard Pennsylvanians.

The Public Protection Division contains the Bureau of Consumer Protection, the Civil Rights Enforcement Section, the Charitable Trusts and Organizations Section, the Antitrust Section, the Tobacco Enforcement Section and the Health Care Unit.

Among its many responsibilities, the Division works to uphold the rights of consumers in business and service transactions and to protect the civil rights of citizens. The Public Protection Division also keeps watch over charitable solicitations and estates and suspected violations of federal antitrust laws.

"My Bureau of Consumer Protection actively fights con artists who hurt the business community by preying on our consumers. The vast majority of business owners in Pennsylvania are hard-working, honest citizens, but a small number of con artists can give an entire industry a black eye."

- Mike Fisher  
- February 2001  
- Harrisburg



Attorney General Mike Fisher holds the 51-page lawsuit brought against the companies.





## BUREAU OF CONSUMER PROTECTION

Attorney General Mike Fisher's Bureau of Consumer Protection (BCP) receives nearly 30,000 written complaints from consumers each year. BCP actively investigates suspected illegal conduct based upon a pattern of fraudulent or deceptive conduct discovered through multiple consumer complaints. Investigations can be initiated on a statewide basis, with other states and with federal agencies. Undercover operations are also a key investigative tool of the bureau.

Realizing the increasing role that the Internet plays in many peoples' lives, Attorney General Fisher has one of the leading Internet investigating operations in the nation. BCP agents and attorneys patrol the Internet in search of business scams, fraudulent health claims by advertisers, investment schemes and other cyberspace activity that may violate consumer protection laws.

Attorney General Fisher has worked closely with other Attorneys General to halt fraudulent practices that cross state lines. During his six years as Attorney General, Mike Fisher has joined other Attorneys General in numerous lawsuits that have forced companies to halt unfair consumer practices.

Attorney General Mike Fisher has also created a statewide Mediation Unit in an attempt to resolve consumer complaints before court action is needed. The Mediation Unit, staffed with student and senior citizen volunteers, tries to mediate resolutions between consumers and companies, freeing BCP agents and attorneys to more pro-actively investigate cases that show a pattern of misconduct. The Unit was created and operates without the appropriation of any additional public funds.

## SIGNIFICANT CASES

### AMERICAN APPLIANCE

American Appliance was a regional chain of appliance stores with locations in Pennsylvania, New Jersey and Delaware. In April 2001, the chain abruptly closed its stores and shortly thereafter filed for bankruptcy.

The Pennsylvania Office of Attorney General, working in cooperation with the New Jersey and Delaware Attorneys General offices, intervened in U.S. Bankruptcy Court to protect consumers who had not received their purchased goods, who had placed deposits on future purchases, who had items in for repairs and/or who had purchased extended warranties.

Among the relief obtained for consumers through Attorney General Mike Fisher's action was a court-approved agreement allowing consumers to receive their merchandise or a credit certificate for purchases made before the company's bankruptcy filing. This resulted in a savings to consumers of approximately \$250,000.

## State seeks to protect consumers as creditors of American Appliance

CAMDEN, N.J. (AP) — Pennsylvania officials want commonwealth consumers to

**State A.G. promises he'll fight for victims of American Appliance**

CONCORD, N.J. — State Attorney General Mike Fisher yesterday promised to go to court to help consumers in Lancaster, Pa., who

under Chapter 11 of the Bankruptcy Code. "I'm going to go into court and fight for consumers who didn't get their money back," Fisher said. The company said such a case

**American Appliance will pay up**

for sue  
of A  
Paul Bomberger  
Intelligence Journal Business Editor  
consumers in Pennsylvania  
did not receive applian  
for before

The Office of Attorney General also worked with the bankrupt company and the other state Attorneys General to organize and monitor the return of items which consumers had provided American Appliance for repairs prior to the closing of the retailer's stores. Finally, Fisher's office, along with other state Attorneys General, worked with the Maytag Corporation to assist consumers who had purchased repair and service contracts from American Appliance, allowing more than 700,000 of those consumers to reinstate those service agreements for a nominal fee.

## TOP 20 COMPLAINT CATEGORIES FOR 2001

- 1- Business Machines **6298**
- 2- Credit **4023**
- 3- Motor Vehicle Sales **3627**
- 4- Buying Services **3146**
- 5- Telecommunications **3092**
- 6- Motor Vehicle Repairs **2293**
- 7- Health Service/Aids **2230**
- 8- Home Improvement Contractors **2168**
- 9- Home Purchases **1744**
- 10- Appliances **1644**
- 11- Energy **1536**
- 12- Electronics (Audio/Video) **1233**
- 13- Business & Investment/Seminars **1178**
- 14- Travel **979**
- 15- Internet **788**
- 16- Books And Magazines **770**
- 17- Home Furnishings **744**
- 18- Apartments **643**
- 19- Self Improvement **528**
- 20- Funeral **333**

\*\*Out of the total of 42,706 complaints filed - 3% (1251) involved telemarketing.

### BRIDGESTONE / FIRESTONE, INC.,

In November 2001, Attorney General Mike Fisher announced a \$51.5 million national settlement with Bridgestone/Firestone to resolve lawsuits that accused the company of failing to disclose safety-related defects with some of its tires. The suits also claimed that the company failed to warn consumers that there was a higher risk of failure among certain tires if motorists subjected the tires to the same conditions depicted in the company's tire advertisements. Other allegations involved misrepresentations made by the company during its tire replacement programs.

The settlement was the result of separate lawsuits filed by all 50 states, the District of Columbia, Puerto Rico and the Virgin Islands. The suits alleged that the company engaged in consumer protection law violations. The joint settlement was the result of numerous consumer complaints nationwide regarding alleged misrepresentations about the high rate of tread separation among certain tires.

The company was also accused of misrepresenting certain aspects of tire replacement programs including its first recall in August 2000 and the National Highway Traffic Safety Administration's (NHTSA) September 2000 Consumer Advisory that resulted in a Customer Satisfaction Program. Pennsylvania's lawsuit alleged Consumer Protection Law violations regarding the affected tires and the company's actions during these programs.

Pennsylvania's lawsuit claimed that Firestone agreed to a manufacturer's notification enhancement action regarding certain tires overseas, but made no disclosure of the defects to consumers in the United States. The company allegedly continued to sell those tires in the United States and failed to warn U.S. motorists of the defects. The suit also claimed that prior to the first recall, the company maintained publicly that the affected tires were safe to use on any appropriate vehicle.

The settlement provided for injunctive relief against the company, a consumer restitution program, a Public Service Announcement campaign relating to tire maintenance and safety and the payment to the Commonwealth of \$450,000 in civil penalties and \$89,600 in costs for future public protection purposes.

### PUBLISHER'S CLEARING HOUSE

On June 26, 2001, Attorney General Mike Fisher announced a multi-state settlement with sweepstakes giant Publishers Clearing House (PCH). PCH will pay \$34 million to resolve accusations that its sweepstakes offers were intentionally deceptive and led consumers to believe that they had won or were close to winning a large cash prize. The settlement includes \$1.5 million in restitution for Pennsylvania consumers, an unprecedented \$1 million in civil penalties and permanent changes in the way PCH conducts contests in the future.

In January 2000, Fisher's Bureau of Consumer Protection filed suit against PCH of Port Washington, New York, for allegedly violating Pennsylvania's Consumer Protection Law. According to the suit, PCH used a variety of sweepstakes to promote the sale of magazines or other goods. Nearly all of the sweepstakes offered cash prizes that ranged from thousands of dollars to an annual multi-million dollar prize.

The suit claimed that the sweepstakes used deceptive language including "Guaranteed Cash Winner" or "Certified Cash Winner" leading consumers to believe that they won a cash prize. Other alleged deceptions included easy entry forms for those who made a purchase, and inferences that consumers who purchased goods would have their name forwarded to the Prize Patrol. The state claimed that consumers made hundreds, even thousands of dollars worth of purchases because they believed that their chances of winning would be enhanced.

Along with the strict terms and conditions for conducting future sweepstakes, PCH will also pay the 25 states \$19 million in consumer restitution. Pennsylvania's share will be approximately \$1.5 million. Details of the restitution distribution will be announced after the agreement is approved by the courts in each participating state. PCH is also required to pay a \$1 million civil penalty and \$13 million for the states' investigation costs and legal fees.





## Attorney Gen. targets 3 in pyramid scheme

**Six people agree to pay victims of pyramid scheme**

**Protection bureau files suit in alleged scheme**

The Pennsylvania Office of Attorney General Mike Fisher filed a lawsuit in federal court in Philadelphia on Monday, targeting three individuals and six others in a pyramid scheme. The suit alleges that the defendants operated a multi-level marketing scheme that recruited participants by promising them high returns on their investments. The scheme allegedly operated from 1998 to 2001, during which time it recruited over 100,000 participants and collected over \$10 million in fees. The suit seeks restitution for the victims of the scheme and civil penalties for the defendants. The defendants include Barry Altemose of Silver Spring, Maryland, and two other individuals whose names were not disclosed. The six other individuals are named in the suit but their names were not disclosed. The suit was filed in the U.S. District Court for the District of Pennsylvania.

## WORLD OF GIVING

The World of Giving program, promoted to consumers throughout Pennsylvania as a legal "gifting program", was actually an illegal pyramid scheme comprised of four levels of participation. Participants were told that an initial fee to participate in the program, typically \$2,000, would be returned to them eight-fold in a matter of weeks. In 2001, Attorney General Mike Fisher filed more than 60 legal actions, resulting in more than \$750,000 in consumer restitution, civil penalties and investigative costs.

## FORD MOTOR COMPANY

The Pennsylvania Office of Attorney General took part in an extensive multi-state investigation into statements and disclosures made by Ford relating to tire safety and vehicle roll-over rates.

Ford entered a comprehensive \$51.5 million settlement with the 53 State and U.S. territories relating to Sport Utility Vehicle (SUV) safety. The states alleged that Ford failed to disclose a known safety risk concerning tire failures with certain tires that came equipped on some Ford SUVs.

As part of the settlement, Ford agreed to a \$30 million nationwide Public Service Announcement campaign on SUV safety. The agreement requires Ford to substantiate claims about vehicle safety, performance or durability, comply with all state and federal laws governing SUV safety, provide vehicle handling and other information to consumers who purchase Ford SUVs and to pay \$300,000 to each state and territory involved in the investigation.

# Judge orders Psychic Network to cease calls

**Psychics accused of trickery**

**PSYCHICS' DON'TS**

- Do not pretend to know the future.
- Do not pretend to know the past.
- Do not pretend to know the present.
- Do not pretend to know the future.
- Do not pretend to know the past.
- Do not pretend to know the present.

## PSYCHIC READER'S NETWORK / ACCESS RESOURCE SERVICES

In January 2002, Attorney General Mike Fisher announced that a Cambria County Court judge entered a preliminary injunction order against Psychic Reader's Network and its billing agent, Access Resource Services. The injunction required the businesses to cease calling Pennsylvania consumers who requested no further contact and to halt attempts to collect outstanding bills that consumers are disputing. The injunction remains in effect pending the outcome of Fisher's lawsuit against the defendants.

In November 2001, Fisher's office sought a preliminary injunction after receiving additional consumer complaints that the Florida-based defendants were allegedly operating in violation of Pennsylvania's Telemarketing Registration Act, Consumer Protection Law, Debt Regulations and Fair Credit Extension Uniformity Act. The defendants stipulated to the injunction prior to the scheduled hearing. Fisher filed a lawsuit in November 2000 accusing the defendants of charging and

billing consumers up to \$4.99 per minute for an advertised "free" psychic telephone reading. According to the suit, the defendants directed those who called their toll-free-numbers to a phone line that charged a per-minute fee. Consumers said that they were charged between \$29 and \$700 for these so-called "free" calls.

The injunction prevents these companies from engaging in misrepresentations and deceptive practices in connection with any future psychic reading services. The companies are further prohibited from engaging in unlawful debt collection practices and are required to forgive nearly \$3.5 million in uncollected charges from Pennsylvania residents. As a result of Fisher's actions, the company and/or its principals are subject to a \$100,000 civil penalty if they ever resume offering any psychic pay-per-call services. The action also required the companies to pay \$20,000 in costs for public protection and consumer protection purposes.



# 30 people protest at Raintree Homes, Inc

Refunds being offered by Readers Digest as part of a settlement government. The sweepstakes giant will refund almost \$409,000 Pennsylvania consumers.

State consumers to get Reader's Digest refunds

Attorney general to file suit on behalf of Poconos home buyers

PHILA  
charg  
mag  
TA winn  
\$3,000 worth of mag  
About 30 people aired  
about building, lending and

## READER'S DIGEST

On January 30, 2002, Attorney General Mike Fisher announced that sweepstakes giant Reader's Digest will refund nearly \$409,000 to Pennsylvania consumers and dramatically change the way it advertises and promotes sweepstakes in the future.

Fisher and Attorneys General from 32 other states and the District of Columbia reached a more than \$9 million settlement with New York-based Reader's Digest Association Inc. (RDA), one of the nation's largest sweepstakes mailers, to resolve alleged Consumer Protection Law violations.

According to investigators, RDA sends out millions of pieces of mail each year, most of which offer consumers the opportunity to enter a sweepstakes. In addition, the mailings attempt to sell consumers Reader's Digest and other magazines published by RDA, plus books and audio or video tapes. In some cases, the sweepstakes offers are combined with skill contests that require the recipient to make a purchase to enter.

The agreement signed by RDA and the Attorneys General creates a \$6.5 million restitution fund for "high activity" customers in 1998, 1999 or 2000. "High Activity" customers are defined as those consumers who purchased more than \$3,000 worth of magazines or products per year in 1998, 1999 or 2000. In addition, RDA will pay the states \$2.6 million for attorneys' fees. Pennsylvania's share of the settlement is approximately \$409,000 in restitution for nearly 550 consumers plus \$100,000 for investigation costs and public protection purposes.

Under the terms of the settlement, RDA is also required to include with all sweepstakes mailings a clear and conspicuous disclosure of facts, including a statement that a purchase of merchandise is not required to enter the sweepstakes, nor will it increase chances of winning.

## RAINTREE HOMES

In October 2002, the Office of Attorney General filed a Complaint in Equity against 15 defendants who allegedly engaged in a widespread pattern of predatory lending practices, false advertising, bait and switch, truth-in-lending violations, shoddy workmanship, inflated appraisal of new homes and the brokering of mortgages. Pending resolution of this case, the Office of Attorney General has been working with lenders to arrange for rewritten mortgages for more than 200 alleged victims, resulting in over \$15 million of savings for these consumers.

## TOP 20 COMPLAINT CATEGORIES FOR 2002

- 1- Credit **4838**
- 2- Motor Vehicle Sales **3753**
- 3- Buying Services **3744**
- 4- Telecommunications **3166**
- 5- Telemarketing **2587**
- 6- Health Service/Aids **2280**
- 7- Home Improvement Contractors **2795**
- 8- Motor Vehicle Repairs **2064**
- 9- Home Purchases **2044**
- 10- Home Furnishings **1652**
- 11- Internet **1507**
- 12- Do-Not-Call **1277**
- 13- Business Machines **1085**
- 14- Travel **1035**
- 15- Energy **983**
- 16- Books And Magazines **863**
- 17- Apartments **734**
- 18- Electronics (Audio/Video) **655**
- 19- Business & Investment/Seminars **627**
- 20- Appliances **528**



# DO NOT CALL



Giving Pennsylvanians the chance to “hang a do-not-disturb sign on their telephones,” Attorney General Mike Fisher on Aug. 6, 2002, launched the statewide “Do Not Call” registry program following the General Assembly and Governor’s approval of the Pennsylvania’s Telemarketing Registration Act.

“Today, Pennsylvanians have the power to hang a ‘do-not-disturb’ sign on their telephones and reclaim the privacy that has been relentlessly invaded by telemarketers,” Fisher said at an event to register the first Pennsylvanians.

By the time the first “Do Not Call” list was ready for release on November 1, 2002, more than 1.6 million Pennsylvania consumers had registered. By the end of 2002 that number had swelled to nearly 2.6 million, accounting for almost half of all the residential telephone numbers in Pennsylvania.

The new law prohibits most telemarketers from calling Pennsylvania residents whose names and phone numbers are included on the “Do Not Call” list. The law also requires telemarketing businesses to purchase the “Do Not Call” list on a quarterly basis and use the list to identify Pennsylvania residents who do not wish to be contacted.

Attorney General Fisher’s office created a website ([www.nocallsplease.com](http://www.nocallsplease.com)) to process on-line registrations, receiving more than 14,000 visits per second during the first several weeks of operation. In addition, a toll-free hotline which was also created to process registrations received thousands of calls per day. The website and telephone registration system both received added equipment and enhancements in order to better handle the extremely high volume of registration requests.

In addition to administering the “Do Not Call” list, Attorney General Fisher’s office has the authority to investigate complaints and prosecute violators. Telemarketers who violate the law can face fines ranging from \$1,000 to \$3,000 per violation.

In the weeks following the distribution of Pennsylvania’s first “Do Not Call” list nearly 3,000 consumers filed complaints against possible violators, resulting in approximately 50 investigations.



## HEALTH CARE SECTION

On February 15, 2000, Attorney General Mike Fisher unveiled his new Health Care Section. One of the first of its kind in the nation, the section is designed to help consumers deal with the complex and ever-changing health care industry. Since its creation, the section has received over 3,500 complaints and has saved Pennsylvanians more than \$5 million. In 2002 alone, the section saved consumers \$1.7 million.

The Health Care Section provides a lifeline to people struggling with red tape that frustrates their ability to resolve health care related problems. The section focuses exclusively on consumer complaints involving the health care industry. The section mediates, investigates and, when appropriate, litigates various types of health care issues.

The majority of complaints filed with the section involve insurance coverage denials and billing disputes. Other problems reported to the Section involve formulary restrictions, misleading or deceptive advertisements, discount medical programs, debt collection practices, confidentiality issues, access to medical records and timely processing and payment of claims by insurers. The complaints are typically filed against insurers, professional medical providers, health care facilities, pharmacies, third party administrators, laboratories and ambulance services.

Among the Pennsylvanians who have benefited from the Health Care Section's work include a consumer who was denied coverage by his insurer for medical service based upon a lapse in coverage. The section's intervention resulted in the insurance company determining that its information was incorrect, reprocessing and paying the outstanding bill of more than \$18,000. In another case, a long-term care insurer denied coverage for certain home health care benefits under the policy, based upon the type of facility the consumer was in. The section's intervention resulted in the insurer's retroactive payment for the expenses in dispute, for savings of \$175,000.

The section works with other Pennsylvania agencies like the Department of Health, the Insurance Department, the Department of Public Welfare and the Department of Aging, which regulate insurers, providers and facilities within the Commonwealth. It can guide consumers through filing a complaint or grievance under their insurers' appeals process. The section also works with legislators to help inform policies that will affect Pennsylvania citizens.

### State AG has health care unit

State Attorney General Mike Fisher announced Thursday that his office has established a new health care unit to help Pennsylvania residents in disputes with insurance companies.

The new state agency is a sub-division of the Bureau of Consumer Protection. It is designed to assist Pennsylvanians in resolving disputes with health care providers.

Fisher's Health Care Unit also helps customers so that it will help mediate disputes between the customers and the companies, according to a news release. Many times, these disputes are resolved by the insurance and health care industry.

Since February 2000, the unit has saved customers more than \$2 million and obtained vital medical services for more than 1,400 Pennsylvania residents, Fisher claimed.

"Pennsylvanians deserve quality health care services without having to worry about being denied or treated unfairly," Fisher said. "That's why I created the Health Care Unit. Consumers now have an advocate who will help them navigate the ever-changing health care industry."

The unit handles customers who are in need of specific health care procedures, but are denied coverage by their health insurance company and those who are in need of specific health care services, but are denied coverage by their health insurance company.

The unit also helps customers who are in need of specific health care services, but are denied coverage by their health insurance company.

### Dealing with HMO's

#### AG's Health Care Unit Helps Consumers

Have you been denied health care coverage by your insurance company or HMO? Or have you been sent bills for services you did not receive or should be paid for?

Here are a few examples of who will help them navigate the ever-changing health care system:

contacted the HMO and was able to secure coverage of insulin. Savings: \$76.

Fisher's Health Care Unit has been a real help to consumers.

The Health Care Section can be contacted by calling 717-705-6938 between the hours of 8:30 AM and 5:00 PM on weekdays or by calling its toll-free hot line, within Pennsylvania at 1-877-888-4877 between the hours of 10:00 AM and 3:00 PM on weekdays. Additional information, including the complaint and medical release authorization forms, can be obtained on the section's website: <http://www.attorneygeneral.gov/ppd/health.cfm>



## ANTITRUST SECTION

Enforcing federal antitrust laws and the Pennsylvania Anti-Bid-Rigging Act as provided in the Commonwealth Attorneys Act, Attorney General Mike Fisher's Antitrust Section is charged with protecting competition from unreasonable restraints of trade. These include price fixing, dividing markets or territories, monopolies that are acquired or maintained by unlawful (predatory) means and mergers that may substantially lessen competition or tend to create a monopoly.

"This settlement is a victory for Pennsylvania consumers who were forced to pay exorbitant prices for these important drugs. Many of the patients who needed these drugs lived on fixed incomes and were financially crippled by skyrocketing drug prices."

- Mike Fisher announcing \$100 million Mylan Settlement
- February 1, 2001

### SIGNIFICANT CASES

#### MYLAN LABS SETTLEMENT

On February 1, 2002, Attorney General Mike Fisher announced that Pennsylvania, along with 49 other states and the District of Columbia, had finalized a \$100 million settlement with generic pharmaceutical manufacturer Mylan Laboratories and three other companies for an alleged price-fixing scheme.

In 1998, The state Attorneys General and the Federal Trade Commission (FTC) filed suit against Mylan alleging that it had illegally increased the price for two highly-prescribed drugs, Lorazepam and Clorazepate, that are used to treat Alzheimer's disease and other afflictions.

Under the terms of the agreement, Pennsylvania will receive approximately \$5.8 million in settlement funds earmarked for reimbursement to state agencies harmed by the price increase and to Pennsylvania consumers affected by the alleged price-fixing scheme. A portion of this money will be used to pay consumers who had purchased Lorazepam and Clorazepate directly. Another \$2,230,760 was used to pay the state agencies, including the departments of Public Welfare and Aging, that were affected by the price increases. Almost 11,000 Pennsylvania consumers filed claims and they received an average reimbursement of \$198.

#### MYLAN LABS

### Pa. residents get restitution

Nearly 11,000 Pennsylvania residents will receive a total of \$2.1 million in restitution from Pittsburgh-based Mylan Laboratories, according to the Pennsylvania Attorney General's Office.

The payments come as part of a settlement in an alleged price-fixing scheme. Consumers will receive an average refund of \$198 representing overpayments in 1998 and 1999 for two drugs that treat anxiety and hypertension.

The Attorney General's office accused Mylan of increasing the price of lorazepam and clorazepate by more than 2,000 percent. The price of 500 tablets of lorazepam jumped from \$7.30 to \$192 and the price of 500 tablets of clorazepate jumped from \$11.36 to \$377.

### Mylan settles lawsuits

Thursday, July 19, 2001

By Teresa F. Lindeman, Post-Gazette Staff Writer

Mylan Laboratories Inc. has tentatively agreed to pay about \$35 million to settle class-action lawsuits by insurers who claim they overpaid for two anti-anxiety drugs two years ago, according to several law firms representing the plaintiffs.



"It appears Bristol-Myers Squibb attempted to manipulate federal drug regulations to extend the patent and continue its monopoly on the product. In Pennsylvania, this alleged illegal activity forced consumers and government agencies to pay much higher prices for brand-name anti-anxiety drugs."

- Mike Fisher announcing  
multi-state suit against Bristol-Myers Squibb  
- December 12, 2001

### BRISTOL-MYERS SQUIBB

In December 2001, Attorney General Mike Fisher and twenty-eight Attorneys General filed an antitrust lawsuit against New York-based Bristol-Myers Squibb (BMS) for allegedly making erroneous statements to the Food & Drug Administration (FDA) in the patent process, preventing the marketing and sale of a generic form of BMS's anti-anxiety drug BuSpar. The suit was filed in U.S. District Court for the Southern District of New York.

The multi-state lawsuit accused Bristol-Myers Squibb of violating federal and applicable antitrust, consumer protection and unfair competition laws in various states.

According to the states investigators, BMS knowingly provided erroneous information to the FDA causing the federal agency to withhold final approval of several applications by other drug manufacturers to market the generic equivalent of the drug. BuSpar is a widely prescribed anti-anxiety drug made from the chemical compound buspirone hydrochloride. In 2000, BMS's sales of BuSpar was approximately \$700 million.

The suit accuses BMS of unlawfully keeping the generic product off the market for nearly four months in 2001. During that four-month time period, Pennsylvania spent \$3.5 million on BuSpar prescriptions for state Medicaid, Pharmaceutical Assistance Contract for the Elderly (PACE) and other benefit programs.

### GEORGE FOREMAN GRILL

In September 2002, Attorney General Mike Fisher announced that Pennsylvania, along with 43 other states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands, had finalized an \$8.2 million settlement with Salton Inc., the manufacturer of George Foreman's™ Mean Lean Burning Machine, for an alleged price-fixing scheme.

## 29 states sue Bristol-Myers

**Suit: Company illegally kept generic off the market**

12/13/01

**BY ED SILVERMAN  
STAR-LEDGER STAFF**

Attorneys general from 29 states and Puerto Rico filed an antitrust lawsuit yesterday accusing Bristol-Myers Squibb Co. of illegally keeping generic versions of its best-selling BuSpar anxiety drug off the market.

The multi-state lawsuit alleged that Salton coerced retailers to charge a specific price and also remove competitors' grills from their shelves. The houseware manufacturer allegedly suspended sales to retailers who sold the George Foreman™ contact grill at a discount or stocked another company's grill.

Because Salton obtained an agreement regarding prices with only some retailers and not all retailers, and because of the difficulty and expense of identifying the purchasers of the grill, the Attorneys General proposed to distribute the restitution funds to charities and government agencies for initiatives to improve health care and nutrition.

### MULTI -STATE CANCER DRUG SUIT

In 2002, Attorney General Mike Fisher announced that Pennsylvania, along with 38 other states, filed an antitrust lawsuit against drug-maker Bristol-Myers Squibb for participation in a fraudulent scheme to illegally maintain its monopoly over its costly and widely used anti-cancer drug Taxol.

The multi-state lawsuit alleged that Bristol-Myers Squibb successfully blocked competitors from bringing lower priced generic versions of the anti-cancer drug to market. As a result, Bristol-Myers Squibb reaped millions of dollars in illegal overcharges from hospitals, cancer treatment centers, state agencies and others who had no choice but to purchase the high-priced version of the drug.

Taxol is used in chemotherapy to fight certain forms of ovarian, breast and lung cancers. It is also used to treat AIDS-related Kaposi's sarcoma.

In late 2002 and early 2003, the states finalized a \$55 million settlement with Bristol-Myers Squibb.



## CHARITABLE TRUSTS & ORGANIZATIONS SECTION

Under the Commonwealth Attorneys Act, the Attorney General is authorized to intervene in any transaction involving a charitable bequest, ensuring that charitable donations are used properly. The Charitable Trusts and Organizations Section makes sure that the interests and rights of Pennsylvanians are represented in court.

This section is responsible for ensuring that charitable organizations seeking donations through telemarketers follow Pennsylvania laws for charitable registration. Additionally, the section is responsible for oversight of nonprofit organizations in Pennsylvania, including health care providers, hospitals and health care facilities. With the increase of mergers and acquisitions in the burgeoning health care industry, this section plays an important role in making sure non-profit organizations maintain their stated charitable and social missions.

In 2002, Attorney General Fisher's Charitable Trusts and Organizations Section reviewed 1,743 estate and/or trust cases under our traditional role as *parens patriae*, and recovered \$3,501,050.97 for charitable purposes. In 2001, Charitable Trusts and Organizations reviewed 1,675 cases and recovered \$3,872,497.

## SIGNIFICANT CASES

### AHERF

In 2002, Attorney General Mike Fisher announced that the parties involved in the litigation surrounding the bankruptcy of Allegheny Health Education and Research Foundation (AHERF) reached a tentative settlement valued between \$26 million and \$34.6 million. In February 2000, Fisher's office, Tenet HealthSystem Philadelphia and two charitable organizations filed a court complaint seeking the return of approximately \$78.5 million in charitable assets. Following an exhaustive forensic audit, Fisher's Charitable Trusts and Organizations Section detailed the withdrawal of funds from individual restricted endowments that the Attorney General contended were improperly used to keep the ailing health system afloat.

In this first phase of the settlement, more than \$20 million will be reimbursed to the endowments that are now being controlled by three non-profit foundations: Philadelphia Health and Education Corporation (PHEC), Franklin Health Trusts and West Penn Allegheny Health System.

In the first phase, the settlement would provide more than \$26 million to the Attorney General's Office and the charitable organizations. The Attorney General's Office and its co-plaintiffs would immediately receive \$22 million and another \$4 million over the next four years. Also, the settlement would reimburse the costs of the Commonwealth's forensic audit and Tenet's legal fees.

In September 1999, Fisher filed a claim in Bankruptcy Court that scrutinized AHERF's finances from July 1, 1997 to July 21, 1998. The claim contended that money was improperly taken from the hospital system's restricted funds and transferred to its general operating account. There, the restricted funds were commingled with other funds and used for various purposes, primarily the operating needs of the AHERF hospitals. The majority of affected endowments were in Southeastern Pennsylvania.



# Sale of Carlisle Hospital approved

BY DAVID WENN  
OF OUR CARLISLE

## Attorney General orders Butler charity to close

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BUTLER (AP) — The state Attorney General's office ordered a Butler County charity to close and its leader to pay fines and restitution for collecting money for services and programs that do not exist.

pendent contractors, he said.

"This organization was unable to substantiate the services and programs it claimed to provide veterans and the homeless," Fisher said. "Our investigation also accused the group of conducting illegal fund raising

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## Not So Fast

State Could Get Involved in  
Lock Haven Hospital Dealings

By Mike Keener  
The Carlisle

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### ROXBOROUGH HOSPITAL

This case involved the sale of Roxborough Hospital, a nonprofit community hospital, to for-profit Tenet Health System in Philadelphia.

The Office of Attorney General conducted a public hearing prior to the sale and required that the transaction be approved by the Philadelphia County Orphans' Court.

### LOCK HAVEN HOSPITAL

This case involved the sale of Lock Haven Hospital, a nonprofit community hospital, to for-profit Community HealthSystems.

The Office of Attorney General reviewed the sale, conducted a public hearing prior to the sale and required that the transaction be approved by the Clinton County Orphan's Court.

### ALLEGHENY COUNTY HOSPITAL MERGER

This case involved the merger of the region's only children's hospital, Children's Hospital of Pittsburgh, with the region's largest provider system.

The Office of Attorney General reviewed the transaction to ensure that assets restricted to pediatric purposes continued to be honored, that the transaction's \$250 million to \$300 million in projected capital improvements did not expose the system to imprudent or unreasonable financial risk and that all children will continue to enjoy access to the children's hospital regardless of how they were insured or the hospital affiliation of their primary care pediatrician.

### CARLISLE HOSPITAL MERGER

This case involved the sale of Carlisle Hospital to Health Management Associates (HMA), a for-profit entity headquartered in Florida.

The Office of Attorney General conducted a public hearing and required that the transaction be approved by the Orphans' Court of Cumberland

County. The Charitable Trusts and Organizations Section was also instrumental in Carlisle successfully securing HMA's pledge to construct a new hospital in the community.

### FRAUDULENT AND DECEPTIVE CHARITABLE SOLICITATIONS

In July 2001, Attorney General Mike Fisher announced that a Pittsburgh telemarketing company must permanently cease operating in Pennsylvania and pay \$75,000 in consumer restitution, civil penalties and investigation costs, ending a lawsuit that claimed the business engaged in deceptive and intimidating fund-raising tactics. Fisher's Charitable Trusts and Organizations Section entered into a consent agreement with Liberty Publishing Company Inc., and its owner George W. Lee, resolving a January 2001 lawsuit that claimed violations of Pennsylvania's Charities Act, Consumer Protection Law and Telemarketing Registration Act.

According to investigators, the defendants, beginning in 1996, conducted a statewide fund-raising campaign for various law enforcement groups, including the Pennsylvania Fraternal Order of Police, the Central Pennsylvania Chiefs of Police Association and the County and State Detective Association of Pennsylvania. The telemarketing campaign raised more than \$3 million for the organizations. The lawsuit claimed that during the telephone solicitations, Liberty Publishing employees falsely implied that they were actual police officers calling consumers for donations. In addition, consumers said that the callers falsely implied that the stickers, decals and membership cards they would receive in exchange for a contribution would result in special treatment by law enforcement officials. Some consumers also claimed that the callers became abusive and intimidating when they declined to make a donation.

The defendants' are also accused of employing convicted felons in violation of the Charities Act. In addition, consumers were sent invoices without their agreement and in some cases invoices were sent with a contribution amount higher than the consumer agreed to donate. The defendants paid \$50,000 in restitution, \$15,000 in fines, \$10,000 in costs of the investigation and agreed to permanently cease and desist from conducting all future solicitation activities.





# AG FISHER OBTAINED COURT INJUNCTION HALTING THE SALE OF HERSHEY FOODS CORPORATION

## Hershey deal could be done quickly

State seeks to block sale for fear of layoffs, but delay could scare suitors

By The Associated Press  
UNIVERSITY PARK, Pa.

HARRISBURG, Pa. — The commonwealth of Pennsylvania could be the last to see the Hershey Foods Corp. as a public company. The state is seeking a court injunction to block the sale of the company, which is owned by the Milton Hershey Trust. The state is concerned that the sale could result in layoffs and the loss of jobs in the community. The state is also concerned that the sale could result in the loss of the company's charitable status.

The state is seeking a court injunction to block the sale of the company, which is owned by the Milton Hershey Trust. The state is concerned that the sale could result in layoffs and the loss of jobs in the community. The state is also concerned that the sale could result in the loss of the company's charitable status.



In Pennsylvania Attorney General Mike Fisher, left, talks with a member of the Milton Hershey Trust Tuesday.

The state is seeking a court injunction to block the sale of the company, which is owned by the Milton Hershey Trust. The state is concerned that the sale could result in layoffs and the loss of jobs in the community. The state is also concerned that the sale could result in the loss of the company's charitable status.

In late July 2002, the Hershey Trust Company Board of Directors and the Milton Hershey School Board of Managers announced that they would seek to sell the charitable trust's controlling share in Hershey Foods Corporation. The potential sale of this American icon would have had a devastating effect on Central Pennsylvania's job market and tax base.

Attorney General Mike Fisher, whose office has broad oversight of charitable trusts, announced that he wanted Hershey Foods to remain in Pennsylvania. He began discussing alternatives to the sale with board members of the Hershey Trust Company.

On Aug. 12, as the sale process progressed, Attorney General Fisher filed a petition in Dauphin County Orphans' Court requiring any proposed buyer of Hershey Foods to submit its plans for a court hearing and obtain court approval.

"Potential buyers must know that they can't just strike a business deal for Hershey Foods," warned Fisher. "Rather, they will need to reveal their plans in court and prove to the court that they have the community's best interest at heart."



Amid reports that bidders were touring the facilities, Attorney General Fisher soon returned to court seeking a temporary restraining order to halt any potential sale saying the community would suffer irreparable harm. On Sept. 4, Judge Morgan agreed with the Attorney General and issued an injunction halting any sale of Hershey Foods until the court could consider the issues raised by the Attorney General. Fisher praised the judge's ruling, saying "There is no reason for the trust and its board to rush out and sell this company without allowing me to represent the public's interest and without allowing the court to determine how a sale could hurt this community."

The Hershey Trust Company appealed the ruling to Commonwealth Court, asking the court to overturn the injunction. Fisher returned to court to argue that the sale of the company could seriously harm the Hershey community, the antithesis of a charitable organization's mission. Commonwealth Court ultimately upheld the Attorney General's injunction halting the sale of Hershey Foods.

On Sept. 17, the Hershey Trust Company Board called off the sale of Hershey Foods. Attorney General Fisher praised the decision and vowed to continue working with the board to strengthen the trust and ensure that the vision of its founder, Milton Hershey, is fulfilled.

## TOBACCO ENFORCEMENT

The Tobacco Enforcement Section was created in July 2000. Its primary mission is to monitor compliance with the injunctive and payment provisions in the Master Settlement Agreement between the Commonwealth of Pennsylvania and the tobacco industry, to file suit as necessary to enforce those provisions, to defend the Agreement against court challenges and to enforce the Tobacco Settlement Agreement Act of 2000. In addition, the Section is involved in other efforts to reduce the incidence of smoking. The Tobacco Enforcement Section coordinates with the Departments of Health and Revenue on enforcement matters arising under current law and advises the Attorney General on policy issues which relate to tobacco use.

### SIGNIFICANT CASES

#### MARIANA V. FISHER

The Tobacco Enforcement Section successfully repulsed this challenge to the Master Settlement Agreement (MSA). In *Mariana v. Fisher*, a group of smokers, unhappy about cigarette price hikes, lost their claim that the MSA violated the antitrust laws and the Commerce and Compact clauses of the U.S. Constitution.

#### TRADING COMPANY V. NATIONAL ASSOCIATION OF ATTORNEYS GENERAL

Attorney General Fisher's office successfully argued this case against a group of cigarette importers who claimed that the MSA violated antitrust laws. The Tobacco Enforcement Section successfully argued that the court lacked jurisdiction, the plaintiffs lacked standing and their claims lacked merit.

#### TOBACCO SETTLEMENT PAYMENTS

As a result of the MSA, the Commonwealth of Pennsylvania has received payments from the Tobacco Industry of over \$348 million in 2001 and over \$410 million in 2002. The total payments received so far by Pennsylvania exceed \$1.3 billion. This money has been used to protect the health of Pennsylvanians through improved access to health care, expanded tobacco cessation and prevention programs and increased research into the prevention of disease.

### Lawmakers OK tobacco settlement bills

BY GEORGE STRAWLEY  
OF THE ASSOCIATED PRESS

Noteworthy: Attorney General Mike Fisher announced that Pennsylvania received the sixth installment of its \$11 billion settlement with the tobacco industry. The \$111.7 million payment brings the total received so far to more than \$820 million.

Missouri's adj. was delayed because of money and voters rejected two proposals for the money in the state.

A spokesman for Rep. John Perzel, the House Republican leader from Philadelphia, said prescription assistance remained the top issue for the House.

"Mr. Perzel and the members of the [Republican] caucus are listening to their constituents, and their constituents are saying this should be the highest priority," said the spokesman, Steve Drachler.

**Heard on the Hill** "These funds will improve health care services for millions of Pennsylvanians." — ATTORNEY GENERAL MIKE FISHER, ANNOUNCING THE STATE HAS RECEIVED ADDITIONAL MONEY FROM THE NATIONAL TOBACCO SETTLEMENT.

#### HEALTHCARE MANAGEMENT ALTERNATIVES, INC. V. DEPARTMENT OF PUBLIC WELFARE

Attorney General Fisher's Tobacco Enforcement Section won this lawsuit brought by a health maintenance company which had been under contract to the Department of Public Welfare and claimed that it was owed tens of millions of dollars from the tobacco settlement.

#### BROSELOW V. FISHER

Attorney General Fisher successfully argued against welfare recipients who claimed that they — and not the Commonwealth — should receive the tobacco settlement money.

#### TOBACCO SETTLEMENT AGREEMENT ACT

In 2000, the General Assembly enacted the Tobacco Settlement Agreement Act. The statute requires tobacco manufacturers to either join the MSA or establish and fund an escrow account for the benefit of the Commonwealth based on the number of their cigarettes sold within the state. It is designed to prevent non-participating manufacturers from gaining an unfair economic advantage over those companies who are making the settlement payments and abiding by the marketing restraints imposed by the MSA.

As required by the Act, 20 companies have escrowed \$5 million based on the sales of their cigarettes in the Commonwealth. Those companies which have failed to make their payments on time have been sued. Over the past two years, the Tobacco Enforcement Section has filed suit against the top six violators of the Act. These companies, which are located both in the United States and abroad, have failed to escrow more than \$2.8 million. The lawsuits seek more than \$8.4 million in penalties. As a result of being sued, two companies have now escrowed more than \$1.8 million.



## PROTECTING THE PUBLIC HEALTH

### OUTDOOR ADVERTISING

The Master Settlement Agreement (MSA) allows participating tobacco companies only one brand name sponsorship event. Once the event is over, any brand name advertising must be removed within 10 days. RJ Reynolds sponsored an NHRA race at the Maple Grove Speedway in Reading. Attorney General Fisher's Tobacco Enforcement Section learned that the Winston brand name sponsorship signs remained posted at the track beyond the time permitted by the MSA. Following the issuance of the pre-litigation discovery request, RJ Reynolds made arrangements to have all of the signs removed.

### ELIMINATING TOBACCO SPONSORSHIPS

The Master Settlement Agreement imposes strict limits on sponsorships by tobacco companies. When the Office of Attorney General discovered that the Winston brand name was being used in conjunction with the Eastern Motorsport Press Association (EMPA) Hall of Fame Dinner, it threatened legal action, which forced RJ Reynolds to instruct the EMPA to stop using the Winston name.

### FREE SAMPLES

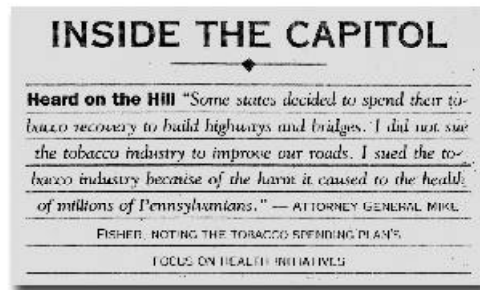
The U.S. Smokeless Tobacco Company frequently gives away free samples of its tobacco products at rodeos and car races. Working with a coalition of other Attorneys General, Attorney General Mike Fisher convinced U.S. Smokeless Tobacco to sign an agreement in the summer of 2002, which makes it less likely that children will be enticed to the company's displays.

### LIMITING EXPOSURE TO TOBACCO DISPLAYS

When Attorney General Fisher learned that Phillip Morris planned to sponsor race cars bearing the Marlboro brand name at the 2001 Indianapolis 500, he intervened and convinced the company that this would violate the Master Settlement Agreement's limits on brand name sponsorships. The two cars that the company was sponsoring were permitted to remain in the race, with the Marlboro markings removed. Coincidentally, those cars finished in first and second place and therefore received the greatest amount of television airtime. Because the Marlboro markings had been removed, this cigarette brand did not receive national television exposure.

### MARKETING TO CHILDREN

Attorney General Fisher's office took the lead in a multi-state effort that convinced the maker of Liquid Zoo cigarettes to change to cigarette packaging so the brand would be less likely to appeal to children.



### MAGAZINE ADVERTISING

One of the goals of the Master Settlement Agreement is to reduce youth exposure to cigarette advertising.

After determining that RJ Reynolds' cigarette advertising was in many magazines with high youth readership, the states filed suit in California. Attorney General Fisher's office worked on the case which resulted in a sweeping injunction restricting RJ Reynolds' advertising and the imposition of a \$20 million penalty.

### REDUCING TOBACCO SALES TO MINORS

Attorney General Mike Fisher was an advisor and instrumental force in creating the Responsible Tobacco Sales Certification program to respond to the alarming rate at which cigarettes are sold to minors.

The program brings together the private sector, public health groups and retailers committed to reduce tobacco sales to minors. The program conducts "spot" checks to see if cigarettes are sold to minors and gives management tools to improve procedures to improve compliance with the law.

Working with other states, Attorney General Fisher convinced two major tobacco retailers to adopt changes in how they ensure that children are not sold cigarettes. The assurances of voluntary compliance with Walgreens and ExxonMobil cover the hiring and training of sales personnel, ID checking standards and procedures, self-monitoring in the form of systematic compliance checks, restrictions on self-service formats, the adoption of policies relating to in-store advertising and internal and external compliance checks.

### Pa. gets more tobacco-suit settlement funds

Pennsylvania has received its fifth major payment, \$230.5 million, as part of its \$11 billion settlement with the tobacco industry.

State officials, however, still have not agreed how to use the money, which the governor wants earmarked for health plans. "I urge the General Assembly and Gov. Ridge to approve a plan that would fund vital health-care initiatives," Attorney General Mike Fisher said.

Pennsylvania's latest installment has increased the total received to \$800 million. "The fact that we still haven't put this issue to rest is becoming a national embarrassment," said Rep. Mike Veon (D., Beaver), House minority whip. He and House Minority Leader Bill DeWeese (D., Fayette) said Fisher and other Republicans should work with Democrats to create a comprehensive plan.

## CIVIL RIGHTS ENFORCEMENT SECTION

The Office of Attorney General's Civil Rights Enforcement Section works closely with government and law enforcement agencies, including the Pennsylvania Human Relations Commission, federal civil rights agencies and the Inter-Agency Task Force on Civil Tension, in training law enforcement and municipal government about the requirements of state Civil Rights and Ethnic Intimidation Laws.

The primary goals of the Civil Rights Enforcement Section are to assume a leadership role in the development of educational programs and the collection of information and to coordinate and intervene in actions arising from allegations and complaints of civil rights violations.

### SIGNIFICANT CASES

#### ARYAN NATIONS

With the possibility of the Aryan Nations relocating to Potter County, Pennsylvania, the Civil Rights Enforcement Section undertook additional efforts to monitor the supremacist group.

The Office of Attorney General convened several meetings with law enforcement agencies, including the Bureau of Alcohol, Tobacco and Firearms (ATF); Federal Bureau of Investigations (FBI); United States Attorneys Office, Middle District of Pennsylvania; the United States Department of Justice, Community Relations Service; Pennsylvania State Police (PSP); and the Potter County District Attorney's Office.

The Civil Rights Enforcement Section monitored the group to keep abreast of any new developments in the movement. In addition, the section met with a group of Ulysses and Coudersport ministers, Adelphia Cable representatives whose corporate headquarters was located in Coudersport, the Pennsylvania State Police Troopers assigned to Potter County and local municipal leaders to discuss their concerns about the possible relocation of the Aryan Nations to Potter County.

#### WORLD CHURCH OF THE CREATOR

In December 2001, World Church of the Creator, a white supremacist group, announced that it planned to hold a public meeting at a public library in York, Pennsylvania.

The Civil Rights Enforcement Section attended various informational meetings concerning this event and assisted the library in developing legal issues. In addition, Civil Rights Enforcement Section investigators attended the public meeting and continue to monitor this group concerning future meetings.

#### PENN STATE UNIVERSITY RACIAL TENSIONS

In 2001, several anonymous hate letters were mailed targeting the leader of the Pennsylvania Student Black Caucus and other African Americans on campus.

The Office of Attorney General offered its assistance in the investigation of these letters and Attorney General Mike Fisher took a lead role in the discussion between students, administrators and law enforcement.

The Civil Rights Enforcement Section contacted the State College Chief of Police, and the Director of Penn State's Office of Safety to arrange for training under the Pennsylvania Commission on Crime and Delinquency (PCCD) model for enhancing effective relations with minority communities. Police officers from State College and the communities surrounding the university, along with Penn State's Office of Safety, took part in the PCCD training.

#### SERVICE ANIMAL POLICY

In 2002, the Civil Rights Enforcement Section developed a standard service animal policy for hospitals without individual policies. Prior to the creation of the standard policy, the Office of Attorney General intervened in numerous disputes involving hospitals with "no pets" policies.

Disabled Pennsylvanians were not permitted to enter the hospitals with their service animals, which is in violation of the Americans with Disabilities Act and the Pennsylvania Human Relations Act. The model policy permits these facilities to comply with the Americans with Disabilities Act and the Pennsylvania Human Relations Act. It ensures that facilities and goods and services are available to individuals accompanied by service animals without isolating, segregating or otherwise discriminating against these individuals.

## Authorities wary as Ohioan takes over Aryan Nations

New leader says he won't rule out violence





## KOL AMI SYNAGOGUE

In July 2001, Attorney General Mike Fisher informed counsel for the Kol Ami Synagogue that he was siding with the congregation in its zoning dispute with Abington Township, Montgomery County. The Civil Rights Enforcement Section worked extensively with Kol Ami Synagogue in 2001 and 2002 to address issues raised in the zoning dispute.

In a July 11, 2001 ruling, a Senior Federal District Judge held that a 1996 Abington Township zoning ordinance was unconstitutional as applied by the Township Zoning Hearing Board in its refusal to allow the Kol Ami congregation to move into a former convent in Meadowbrook.

The Civil Rights Enforcement Section's participation ultimately resulted in the Appellate Litigation Section filing an Amicus Brief on April 26, 2002, supporting the synagogue's position.

## ACLU, attorney general's office urge an end to opposition of synagogue

PHILADELPHIA (AP)—The state attorney general's office and the American Civil Liberties Union on Monday urged a suburban community to halt its opposition to a congregation of Reform Jews seeking to turn a former Roman Catholic convent into a synagogue.

Congregation Kol Ami has been trying to move into the Abington Township, Montgomery County, site for two years. Its efforts have been held up by neighbors and officials, who argue the planned synagogue and school would bring excessive noise and traffic to the residential cul-de-sac shared with million-dollar homes.

"Around the country, zoning laws are being used in this kind of context against religious institutions," said ACLU Philadelphia executive director Larry Frank-

el, who joined Kol Ami members at a news conference Monday. In March the Abington zoning board denied Kol Ami's request to move into the former convent, which is owned by the Sisters of the Holy Family of Nazareth.

The 210-family congregation sued the township, arguing that the decision violated a 2000 federal law designed to prevent religious discrimination in local zoning. Under the law, a municipality must show it has a compelling interest — such as public safety or order — to deny a religious group's zoning request.

In July, U.S. District Judge Clarence Newcomer ruled that the township violated the congregation's constitutional right to equal protection by not considering a special exception to a zoning ordinance barring reli-



Sister Celine Wamilo of Sisters of the Holy Family of Nazareth speaks in favor of Congregation Kol Ami Monday in Abington.

gious uses in residential districts. The board reversed itself and voted to allow Kol Ami to move into the building. That hasn't happened because appeals are still pending in the federal courts.

An attorney for the neighbors said the planned use of the site, not the religious affiliation of the congregants, is the issue.

## Penn State president, lawmakers discuss racism

PHILADELPHIA (AP)—The president of Penn State University and two black state legislators appeared on a cable television call-in show Monday to discuss the recent threats against black students at the university.

"I very strongly believe that it is not an individual who is doing this," said Rep. John Myers, D-Philadelphia. "I believe this is part of an organized movement."

Myers said he thought white supremacist groups would like it if university President Graham B. Spanier, who is Jewish, were

## TECHNICAL ASSISTANCE & EDUCATION

In 2001 and 2002, the Office of Attorney General participated in various training programs. The Civil Rights Enforcement Section participated in training hundreds of federal, state and local law enforcement personnel in the investigation and prosecution of hate crimes, including representatives from the Federal Bureau of Investigation and the Pennsylvania State Police.

The Civil Rights Enforcement Section also worked with federal, state and local police to address hate group rallies in York, Pennsylvania. In addition to meeting with law enforcement groups, the Office of Attorney General also provided training to students and educators, including a teacher-in-service program sponsored by the Northeast Pennsylvania Jewish Federation for educators in the Scranton and Wilkes-Barre area.

## ACCESSIBILITY SITE CHECKS

Attorney General Mike Fisher's Civil Rights Enforcement Section along with the U.S. Department of Justice conducted accessibility checks of various apartment complexes and restaurants in Pennsylvania. These site checks were used to determine whether or not disabled Pennsylvanians were able to utilize these public facilities and complied with the Americans with Disabilities Act.

# EDUCATION AND PREVENTION



## COMMUNITY DRUG ABUSE PREVENTION GRANT PROGRAM

Created to help foster unique community programs aimed at drug abuse prevention, this grant program distributed more than \$100,000 to various grassroots organizations in 2001 and 2002.

Attorney General Mike Fisher created the Community Drug Abuse Prevention Grant program in 1999 to encourage volunteer organizations and other community groups to create a drug-free environment for young people. Grants can support drug enforcement and education campaigns as well as efforts to provide safe and drug-free activities for at-risk youth.

Funding for the Community Drug Abuse Prevention Grant programs comes from assets seized from drug dealers convicted as part of investigations conducted by the Attorney General's Bureau of Narcotics Investigation.

## RED RIBBON WEEK

As part of a national Red Ribbon Week campaign to encourage a drug-free lifestyle, Attorney General Mike Fisher hosted a pair of youth rallies in Harrisburg in 2001 and 2002. The events filled the Forum building in Harrisburg with more than 3,000 fifth graders from schools all across Pennsylvania.



Drawing on Attorney General Fisher's successful "Team Up Against Drugs" program, the rallies used athletes and entertainers to encourage the children to live a drug-free lifestyle. The students heard strong anti-drug messages from members of the Harrisburg Heat soccer team, cheerleading squads, gymnasts, karate teams and young musicians.

The children also witnessed a demonstration by dogs from the Attorney General's Bureau of Narcotics K-9, who were able to quickly locate and retrieve items that had been hidden in the auditorium.

In addition to the kick-off rally, the Office of Attorney General organized and promoted Red Ribbon information programs at Strawberry Square in Harrisburg and at other regional offices across the state.

The national Red Ribbon Week campaign was organized as a memorial to federal drug agent Enrique "Kiki" Camarena, who was brutally murdered by drug traffickers in February of 1985. Red Ribbon week activities are held during the last week of October.

## LIFESMARTS

Helping teens become smart consumers is the point of LifeSmarts, a national competition that rewards students in grades nine through 12 for making good consumer choices. Through Attorney General Mike Fisher's Public Education and Information Unit, Pennsylvania teens compete on a statewide level and have the opportunity to advance to the national level. Using the Internet to search for consumer issues and solve consumer problems, teenagers learn to understand and avoid debt, detect consumer fraud and understand consumer rights. These are lessons that will serve them a lifetime. In 2001, 19 teams registered on-line and 13 of those qualified for the state finals. In 2002, 12 teams out of 23 qualified for states with more than 300 students participating on-line. A team from North East High School in Erie won the state championship in 2001 and the team from Dallas High School in Luzerne County took states in 2002. Both state winners went on to compete in the National Competition.



## "TEAM UP" CALENDAR AND POSTER CONTEST

Spreading a message to stay away from drugs and alcohol, hundreds of fifth grade students from across Pennsylvania joined Attorney General Mike Fisher's "Team Up Against Drugs" Calendar and Poster contest in 2001 and 2002.



During October of each year, participating schools in over 50 counties held their own contests for artwork with an anti-drug theme. The two best designs from each school were then entered in the Attorney General's competition. Overall, more than 650 drawings and paintings were submitted.

Thirteen winning drawings were selected for each year's calendar, including a grand prize winner which was displayed on the cover. An additional 12 honorable mention winners were selected for inclusion in a "Team Up Against Drugs" anti-drug poster. The winners and their families were celebrated during a luncheon hosted by Attorney General Fisher.

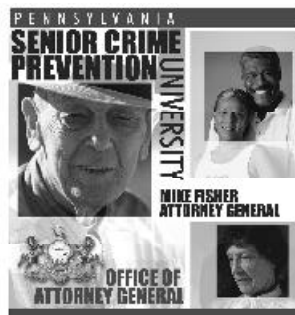
As a special honor for the grand prize winners, Attorney General Fisher traveled to each of their schools to unveil billboards featuring their artwork and congratulating the students for their creativity. In 2001 a billboard was erected outside Dillsburg Elementary School in Dillsburg, York County, to recognize grand prize winner Megan Schultz. In 2002 a billboard was unveiled outside St. Mary's School in Avoca, Luzerne County to salute the anti-drug artwork of grand prize winner Megan Loftus.



## SENIOR CRIMES PREVENTION UNIVERSITY

With the second largest population of senior citizens in the nation, Pennsylvania is an attractive location for scam artists seeking to take advantage of older consumers. With that in mind, Attorney General

Mike Fisher launched his Senior Crime Prevention University in 2002.



The Senior Crime Prevention University is a multi-media presentation based on the theme "Aware, Avoid and Alert." The goal of the program is to help consumers, especially senior citizens, be more **aware** of the typical scams they may encounter; to demonstrate ways to **avoid**

becoming a victim; and to explain how people can **alert** authorities about possible scams or con artists operating in their communities.

Using actors and realistic situations, the Senior Crime Prevention University demonstrates typical scams involving home improvement, telemarketing, sweepstakes and financial scams. Each segment also includes a question-and-answer session with Attorney General Fisher, who highlights a consumer's rights in each of these situations and also highlights how Pennsylvania's consumer protection law applies to these transactions.

The Senior Crime Prevention University program is available to law enforcement agencies, senior citizen groups and other interested organizations throughout Pennsylvania.

## Project PEACE

Attorney General Mike Fisher joined with the Pennsylvania Bar Association to promote this unique school violence reduction program in 2000 and it has continued to gain momentum with each passing year. Project PEACE (Peaceful Endings through Attorneys, Children and Educators) focuses on teaching young people how to discuss and resolve disputes in a peaceful manner.

During 2001 and 2002, Attorney General Fisher hosted training seminars in Harrisburg and Camp Hill, drawing teams from more than two dozen Pennsylvania school districts. These school teams then returned to their communities to establish and implement Project PEACE peer mediation programs at their elementary schools. Nearly 10 percent of the state's school districts have now participated in Project PEACE training.



In addition, Attorney General Fisher was invited to help personally launch Project PEACE peer mediation programs at a number of schools, including Monsignor McHugh School in Cresco, Monroe County, Juniata Valley Elementary School in Alexandria, Huntingdon County, and Trevorton Elementary School in Trevorton, Northumberland County.

Peer mediation programs like Project PEACE are a key part of the Attorney General's efforts to reduce school violence in Pennsylvania. State surveys show a drop in the number of violent school incidents following the introduction of this and other anti-violence programs.

# TERRORISM AND SECURITY ISSUES

## State attorney general, state police warn against making bomb threats

HARRISBURG — Making a bomb threat or otherwise causing the evacuation of a building is a serious crime carrying stiff penalties, Attorney General Mike Fisher and State Police Commissioner Paul J. Evanko warned last week.

"Since the events of Sept. 11, we've seen a sharp increase in the number of bomb scares being reported to authorities nationwide," Evanko said. "Each incident must be taken seriously and each response taxes the resources of law enforcement, bomb disposal units, fire and medical response organizations, and emergency management agencies."

Fisher and Evanko said that under Pennsylvania law, an individual making a bomb threat can be charged with both terrorism threats and bomb threats, each of which is a first-degree misdemeanor carrying a maximum penalty of five years in prison and a \$10,000 fine.

In addition, the law allows the court to order the defendant to pay restitution to cover costs incurred by affected school districts and emergency response agencies.

"Law enforcement stands united against all forms of terrorism, including terrorism threats made by obviously misguided individuals," Fisher said. "We encourage persons with information regarding individuals who make bomb threats to immediately contact their local police department."

Following the attacks on America in September 2001, Attorney General Mike Fisher joined other law enforcement leaders as a member of the Federal Anti-Terror Task Forces, established by the three U.S. Attorneys in Pennsylvania. The task forces improved communications between various local, state and federal law enforcement agencies monitoring terrorism activities.

Attorney General Fisher and the Pennsylvania State Police warned that terrorism hoaxes would not be tolerated in Pennsylvania. The Attorney General also pushed new legislation toughening penalties for bomb threats and bio-terror hoaxes. Fisher's Bureau of Consumer Protection also filed suit against an Ohio company that was accused of marketing ineffective anthrax testing kits.

In addition, the Attorney General joined with State Police Commissioner Paul Evanko to warn that any anthrax hoaxes or other bogus bio-terror threats would not be tolerated in Pennsylvania. With input from the Attorney General, Pennsylvania lawmakers almost immediately introduced legislation to toughen penalties for bomb threats and bio-terror hoaxes. Governor Schweiker signed those changes into law in April of 2002.





# DEFENDING THE COMMONWEALTH: **CIVIL LAW DIVISION**

The primary responsibility of Attorney General Fisher's Civil Law Division is to represent the Commonwealth and its agencies, officials, and employees in major litigation in state and federal courts. Five of the Division's six sections are assigned to address that responsibility:

## LITIGATION SECTION:

Defends the Commonwealth and its agencies, officials and employees in actions challenging the constitutionality of state statutes, the operation of state programs and the employment practices of state agencies.

## TORTS LITIGATION SECTION:

Defends the Commonwealth and its agencies, officials and employees in actions to recover damages for personal injury.

## TAX LITIGATION SECTION:

Represents the Commonwealth in appeals to the Commonwealth Court from tax decisions of the Board of Finance and Revenue.

## APPELLATE LITIGATION SECTION:

Handles or supervises all civil appeals.

## FINANCIAL ENFORCEMENT SECTION:

Collects all delinquent taxes and other financial obligations owed the Commonwealth and its agencies.

## REVIEW AND ADVICE SECTION:

Discharges the Attorney General's responsibility to review and approve for form and legality all Commonwealth contracts, regulations and bond issues. It also provides legal opinions, upon request, to the Governor and the heads of Commonwealth agencies.



## LITIGATION

The Litigation Section represents the Commonwealth and its agencies, officials and employees in a wide variety of lawsuits, usually in federal court. It has an active caseload of more than 1,200 cases, consisting primarily of challenges to the constitutionality of state statutes, the operation of state programs and the employment practices of state agencies. Nearly every case handled by the Litigation Section is litigated to judgment rather than settled, and many are resolved only after all appellate opportunities are exhausted.

### SIGNIFICANT CASES

#### **ALAICA V. HICKOCK**

The Office of Attorney General successfully defended the Secretary of the Department of Education, Eugene Hickock, in which the plaintiff challenged the statute authorizing state takeover of failing school districts.

#### **COHEN V. CITY OF PHILADELPHIA**

The Office of Attorney General successfully defended various challenges to the statute and ordinances that authorized financing of the new Philadelphia ballpark and stadium.

#### **CONCHATTA, INC. V. EVANKO**

The Office of Attorney General successfully defended the constitutionality of a statute that prohibits nude dancing in establishments licensed to sell liquor.

#### **PSBA V. ZOGBY**

The Office of Attorney General successfully defended a challenge to the legality of cyber charter schools.

#### **PAYNE V. DEPARTMENT OF CORRECTIONS**

The Office of Attorney General successfully defended a challenge to legislation designed to limit frivolous prisoner lawsuits and ensure that inmate prison accounts are available to pay fines and restitution.

#### **LARRY PITT AND ASSOCIATES V. WORKERS COMPENSATION BUREAU, et al.**

Fisher's office successfully defended a challenge to the statutory cap on attorney's fees that can be deducted from workers compensation awards.

#### **CITY OF PHILADELPHIA V. SCHWEIKER**

The Office of Attorney General successfully defended a challenge to legislation authorizing the Governor to appoint members of the board of the Philadelphia Parking Authority.

#### **POLICE EXCESSIVE FORCE CASES**

In a series of cases - Walborn v. Dauphin County Task Force; Morris v. Pushart, et al.; Serfass v. Noonan; Coliny v. Wicker; and Shupe v. Pennsylvania State Police - the Office of Attorney General successfully defended state troopers and other law enforcement officers against allegations that they used excessive force in making arrests.

The Litigation Section has an active caseload of more than 1,200 cases, ranging from constitutional challenges to defense of the Commonwealth and its agencies.



## TORTS LITIGATION

The Torts Litigation Section defends the Commonwealth and its agencies, officials and employees in all actions brought to recover damages for personal injury. The Section has an active caseload, entirely in the state courts, of more than 3,100 cases, presenting a total amount in controversy of more than \$300 million. Nearly 75 percent of the cases handled by the Section involve claims against PennDOT for death or serious bodily injury resulting from the allegedly defective design, construction or maintenance of state highways. Nearly half (44%) are settled; more than half (56%) are litigated to judgment at a very high (98%) rate of success.

### SIGNIFICANT CASES

#### **FRENCHIK ESTATE, OHI ESTATE, AND GRAY v. PennDOT**

The Office of Attorney General successfully defended PennDOT in a Westmoreland County case in which a driver, playing a practical joke on his passengers, drove through the flashing warning lights at a railroad crossing, stalled the car, got out and pretended to push the car off the tracks, got back in when the train whistle sounded, tried unsuccessfully to restart the car, then panicked and jumped out just before the train hit killing two passengers and permanently injuring a third. The claim against PennDOT was inadequate signing.

#### **PATTERSON ESTATE v. PennDOT et al.**

Attorney General Fisher's office successfully defended PennDOT in a Beaver County case in which the plaintiff, who was intoxicated, was going south in the northbound lane when he hit another motorist. The claim against PennDOT was inadequate signing.

#### **SMITH v. PennDOT**

The Office of Attorney General won a defense verdict in a Dauphin County case in which the plaintiff, who was intoxicated, flipped his car on a downhill curve and hit a tree. The claim against PennDOT was improper curve slope and lane width.

#### **SWANN v. PennDOT**

The Office of Attorney General successfully defended PennDOT in a Delaware County case in which the plaintiff let his intoxicated friend drive, and the friend mounted a guide rail on an I-95 exit. The claim against PennDOT was that the guide rail should have been stronger, higher, and more visible.

#### **FULLER v. PennDOT et al.**

The Office of Attorney General won a defense verdict in a Warren County case in which an intoxicated driver pulled from a side road into the path of a logging truck, causing the truck to cross over the main road and hit the plaintiff. The claims against PennDOT were inadequate sight distance and warning signs and an excessive main road speed limit.

#### **MORNINGSTAR ESTATE v. PennDOT AND HOLBAN**

The Office of Attorney General successfully defended PennDOT in an Allegheny County case in which the Court held that road design could not possibly have caused the accident given the speed (75-95 mph in a 35 mph zone) that defendant Holban, who pleaded guilty to homicide by vehicle, was traveling when he crossed over and hit the plaintiff.

#### **FIGUEROA v. PennDOT, et al.**

Attorney General Mike Fisher's office won a defense verdict in a Bucks County case in which the plaintiff was a passenger in a car hit by a driver who fell asleep and crossed from the center turn lane into the plaintiff's lane. The claim against PennDOT was lack of a median barrier.

#### **CHANDLER v. PENNSYLVANIA STATE POLICE AND OBSERVER-REPORTER**

The Office of Attorney General successfully defended the State Police in a Washington County case in which the plaintiff claimed that the State Police were responsible for damage to her reputation when her sister, who was arrested for prostitution, gave the plaintiff's name and address to the booking officer as her own, and the arrest was then published in the local newspaper.



## TAX LITIGATION

The Tax Litigation Section represents the Commonwealth in virtually all state tax appeals. The Section has an active caseload, entirely in the state courts, of more than 1,500 cases, presenting a total amount in controversy of more than \$750 million. Most of the cases handled by the Section concern corporate or sales tax, and most (more than 90%) are resolved by settlement rather than judgment. Those that are litigated to judgment typically are resolved only after appeal to the Pennsylvania Supreme Court.

### SIGNIFICANT CASES

#### **UNYSIS CORPORATION v. COMMONWEALTH**

The Office of Attorney General successfully defended a challenge to the Commonwealth's separate company, three-factor apportionment formula for franchise tax.

#### **PPG INDUSTRIES, INC. v. COMMONWEALTH**

Attorney General Mike Fisher's office and the Department of Revenue successfully developed a revenue-neutral remedy to the ruling of the Pennsylvania Supreme Court that the manufacturing exemption to the capital stock/franchise tax discriminates against interstate commerce.

#### **SHAWNEE DEVELOPMENT, INC. v. COMMONWEALTH**

The Office of Attorney General successfully argued that forgiveness of debt is properly included in the fixed formula for calculating the taxpayer's capital stock tax.

#### **CANTEEN CORPORATION v. COMMONWEALTH; OSRAM SYLVANIA, INC. v. COMMONWEALTH**

In each of these cases, Fisher's office successfully argued that income the taxpayer realized from the sale of its stock, which the taxpayer had elected for federal tax purposes to treat as a sale of its assets, was taxable in Pennsylvania as apportionable business income.

#### **GOLDEN EAGLE CONSTRUCTION COMPANY v. COMMONWEALTH**

The Office of Attorney General successfully argued that the taxpayer, a contractor, is the taxable consumer under the sales and use tax law of the materials it uses in performing its work.

#### **LESTER ASSOCIATES v. COMMONWEALTH**

The Office of Attorney General successfully argued that the taxpayer failed to prove that the first deed in a series of real estate transfers was void, and that therefore the transfers were taxable.

#### **MCNEIL-PPC, INC. v. COMMONWEALTH**

The Office of Attorney General successfully argued that the sole means by which a taxpayer can obtain a credit for overpayment of sales tax is to file a refund petition within three years of paying the tax, which the taxpayer failed to do.

The Tax Litigation Section handles virtually all state tax appeals, with more than 1,500 cases presenting more than \$750 million in controversy.



## APPELLATE LITIGATION

The Appellate Litigation Section has primary responsibility for civil appellate practice in the Office of Attorney General. It reviews and approves the filing of all civil appeals and petitions for discretionary review. It handles selected cases in the federal and state appellate courts and supervises the handling of all other civil appeals by attorneys in other sections. The Section, which has an active caseload of approximately 400 cases, also handles specially selected cases at the trial level, which have significant appellate implications from the outset.

## SIGNIFICANT CASES

### **BOOTH v. CHURNER**

The Office of Attorney General successfully argued in the United States Supreme Court that prisoners seeking to file lawsuits in federal court must try first to resolve their complaints through the prison's administrative grievance system, regardless of the nature of the relief sought. The Supreme Court agreed unanimously. For its efforts, the office received a "Best Brief Award" from the National Association of Attorneys General, recognizing "excellence in brief writing in the United States Supreme Court."

### **IN RE: MILTON HERSHEY SCHOOL**

Attorney General Mike Fisher successfully defended an injunction that restrained the Trust from selling its interest in Hershey Foods.

### **GRIMAUD v. COMMONWEALTH**

Attorney General Mike Fisher's office successfully defended a challenge to state constitutional amendments approved by the voters that add to the categories of criminal cases in which bail must be denied and that allow the prosecution to demand a jury trial.

### **PENNSYLVANIA PRISON SOCIETY v. COMMONWEALTH**

The Office of Attorney General successfully defended a challenge to a state constitutional amendment approved by the voters that requires a unanimous vote of the Board of Pardons to recommend commutation of a sentence of death or life imprisonment.

### **MELLOW v. PIZZINGRILLI**

The Office of Attorney General successfully defended a challenge to a state constitutional amendment approved by the voters that cuts short the term of a state senator who, because of redistricting, no longer resides in his district.

### **ALLEN v. Mellinger**

Fisher's office successfully argued to the Pennsylvania Supreme Court that it should overturn its own decision in *Woods v. PennDOT* and hold that delay damages against Commonwealth parties may be calculated only on the basis of the statutory damage cap.

### **DEWEESE v. SCHWEIKER; MELLOW v. SCHWEIKER**

Attorney General Mike Fisher's office successfully defended the constitutionality of recent amendments to the Election Code designed to expand access to the ballot and punish voter fraud.

### **ERFER v. COMMONWEALTH; VIETH v. COMMONWEALTH**

Fisher's office successfully defended Pennsylvania's new congressional redistricting statute against challenges in both state and federal court.

### **BAER v. PennDOT**

The Office of Attorney General successfully argued that PennDOT cannot be held liable for defects in the design or maintenance of highway guardrails.

### **TOGNARINI v. PennDOT**

Attorney General Mike Fisher's office successfully argued that PennDOT cannot be held liable for an accident caused by snow and ice that accumulated on a mountain highway in Elk County in the winter.



## FINANCIAL ENFORCEMENT

The Financial Enforcement Section collects all delinquent taxes and other financial obligations owed to the Commonwealth and Commonwealth agencies. The Section has an active caseload, including pre-litigation claims, actions in state court and claims in federal bankruptcy court, of approximately 28,000 cases. In 1997, Attorney General Fisher initiated a priority tax collection program, which targets egregious cases for civil execution, leading to seizure of the debtor's business assets pending disposition of the liability. In 2001 and 2002, the Financial Enforcement Section initiated 158 civil executions contributing to a record \$105.5 million in total collections.

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## REVIEW AND ADVICE

The Review and Advice Section discharges the Attorney General's statutory responsibility to review and approve for form and legality all Commonwealth contracts, regulations and bond issues. This Section reviewed over 30,000 contracts, 422 new or revised regulations and 100 bond issues in 2001 and 2002, representing hundreds of millions of dollars of public funds. Yet, despite its heavy workload, the Section successfully kept its average turnaround time down to five days for contracts and fifteen days for regulations.

The Section manages the Attorney General's contract match program, which electronically correlates the various databases maintained by the legal divisions of the Office of Attorney General to identify those contractors with whom Commonwealth agencies propose to do business but have failed to satisfy their financial obligations to the Commonwealth or who otherwise have legal difficulties that should be brought to the attention of the contracting agency before the proposed contract is approved. In 2001 and 2002, the Section identified 753 such contract "matches."

Finally, the Section provides information and referral services to individuals, businesses, local government and other public officials who call the Office of Attorney General for assistance. In 2001 and 2002, the Section responded to more than 7,000 calls and letters.



# INFORMATION TECHNOLOGY AND LAW



Two major website projects, one public and one undercover, highlighted the efforts for the Information Technology & Law (ITL) Section during 2001 and 2002.

By far the largest undertaking for ITL involved building and managing the [www.nocallsplease.com](http://www.nocallsplease.com) website. Unveiled by Attorney General Mike Fisher on August 6, 2002, the site was created to process registrations for Pennsylvania's new "Do Not Call" law. That law bars most telemarketers from calling consumers who register their names and phone numbers on the list. Almost immediately, the website was inundated with registrations and requests for information. At its peak, the [nocallsplease.com](http://www.nocallsplease.com) site managed more than 15,000 information requests per second and nearly 17,000 registrations per hour.



The tremendous surge of visitors to the [nocallsplease.com](http://www.nocallsplease.com) website prompted installation of additional equipment by ITL in order to handle the volume of traffic. A number of enhancements were also developed for the site, including the ability for visitors to confirm their registration on the "Do Not Call" list and file on-line complaints against violators of the "Do Not Call" law. By the end of 2002, more than two million Pennsylvania residents registered for the "Do Not Call" list via this new website, making [nocallsplease.com](http://www.nocallsplease.com) the busiest Do Not Call website in the United States.

In addition to the very public "Do Not Call" website, ITL expertise was also put to work building and managing a website used to identify and arrest child sexual predators. The site was crafted to support undercover investigations conducted by the office's Child Sexual Exploitation Unit (CSEU). In addition, ITL provides technical assistance and training to the CSEU and other law enforcement agencies involved in child pornography investigations. Over the past two years, more than 50 child porn suspects have been arrested as the result of technology-related assistance from ITL.

The Information Technology and Law Section also maintained an aggressive training schedule during 2001 and 2002. Educational courses and training seminars were presented to more than 1,500 members of the law enforcement and social services community. ITL presentations to local, state and federal authorities ranged from general overviews of subjects like Internet Safety to detailed training on conducting Internet and Child Pornography Investigations.

ITL also operates and maintains the Office of Attorney General's official website, [www.attorneygeneral.gov](http://www.attorneygeneral.gov). The site provides comprehensive information to the public and the press about OAG activities. It was ranked in the Top 10 most visited government websites in 2002 and was one of the Top 15 most visited sites in 2001. ITL also supports an assortment of internal training programs and services to help OAG staff make the best use of new computer equipment and software.

# OFFICE OF CONSUMER ADVOCATE



The Office of Consumer Advocate (OCA) was established by the General Assembly in 1976 to represent the interests of Pennsylvania utility consumers in matters involving their utility service.

The OCA is a statutorily independent office included within the Office of Attorney General for administrative purposes. Sonny Popowsky, the current Consumer Advocate, has served in that position since 1990. He was renominated to that position by Attorney General Mike Fisher in April 2001 and was unanimously reconfirmed by the Senate of Pennsylvania. The OCA has a budgeted staff complement of 37 persons, including the Consumer Advocate, attorneys and other professional, administrative and clerical personnel. The OCA has its own budget that is funded through an assessment on the companies that are regulated by the Pennsylvania Public Utility Commission.

Some of the major recent activities of the OCA are summarized below.

## **Electricity Issues**

The OCA continued to be heavily involved in the implementation of the Pennsylvania Electric Choice Program. The OCA's primary focus has been to ensure that all Pennsylvania consumers are benefitted through the strict enforcement of rate caps and other protections that were included in Pennsylvania's landmark 1996 Electric Choice Act. This focus has been reflected in settlements of major electric merger proceedings as well as a number of other proceedings, including OCA's opposition to requests by two electric utilities to seek exceptions to their rate caps. The OCA also has continued to support efforts to introduce more competitive options for Pennsylvania consumers through its education activities and through various rulemaking and policy proceedings. Since much of the decision-making that affects Pennsylvania electric consumers now occurs at the federal and regional level, the OCA has greatly expanded its participation in key electric proceedings before the Federal Energy Regulatory Commission and in the committees of the PJM Interconnection. In addition, the OCA has sought to protect consumers from any adverse consequences of electric restructuring. One example of this effort has been OCA's participation on the creditors' committee, and the filing of a complaint at the PUC, regarding an insolvent electric generation supplier that abandoned service to Pennsylvania electric consumers. The OCA has secured refunds totaling \$125,000 for that company's former Pennsylvania customers.

## **Natural Gas Issues**

In natural gas, the OCA was active in the negotiations that led to the enactment of Natural Gas Choice legislation in 1999, as well as the specific restructuring proceedings that followed from that Act. As one result of that Act, the OCA has been given the statutory authority to represent the customers of the Philadelphia Gas Works in proceedings regarding that municipal utility's service and rates before the Pennsylvania Public Utility Commission. The OCA has participated in PGW's restructuring proceeding and rate cases. The OCA also continues to represent consumers across Pennsylvania in the annual PUC review of every natural gas distribution company's purchased gas costs. During 2001 and 2002, the OCA participated in the purchased gas cost (Section 1307(f)) proceedings filed by each of the major natural gas utilities in Pennsylvania. The OCA also participates in proceedings at the Federal Energy Regulatory Commission that involve the major interstate pipelines that serve Pennsylvania's retail gas distributors.





### **Telecommunications Issues**

The Pennsylvania General Assembly began its review of the Pennsylvania telecommunications law, Chapter 30 of the Public Utility Code, which will expire by its own terms on December 31, 2003. The OCA has testified at legislative hearings, including testimony concerning what has happened since Chapter 30 has been enacted and what can be done to make Chapter 30 more beneficial for consumers in the future. The OCA continues to respond to legislative inquiries concerning Chapter 30 and has participated in collaborative discussions to develop a new bill to replace the existing Chapter 30 when it expires.

The OCA participated in a number of major proceedings involving efforts to increase both local and long distance competition in Pennsylvania. The OCA has focused on the goal of ensuring that Pennsylvania maintains and enhances the provision of universal telephone service throughout both urban and rural areas of the state. This has included efforts to expand Lifeline telephone discount programs to low-income consumers who might otherwise not be able to afford service as well as efforts to extend deployment of new advanced services to rural areas. The OCA has worked vigorously both at the state and federal level to slow down the proliferation of area codes that has imposed inconvenience and additional costs on millions of Pennsylvania consumers. The OCA also has been successful in a number of cases in helping communities in several parts of Pennsylvania to obtain larger toll-free calling areas that actually reflect their local community of interest.

### **Water Issues**

In the water and wastewater industry, the OCA has continued to represent consumers in numerous base rate increase, acquisition and complaint proceedings. In addition, the OCA has supported efforts by several consumers and homeowner groups to obtain extension of water service to their homes at reasonable cost. The OCA has been involved in a single issue rate case requesting the establishment of a facilities protection charge, as well as opposing attempts to expand the distribution system improvement charge which has been used to increase customer rates between base rate cases.

### **Consumer Education and Outreach**

In addition to its litigation activities, OCA participates on behalf of utility consumers in state and federal legislative and policy debates. The OCA has been called on to present formal testimony both in the Pennsylvania General Assembly and in the United States Congress regarding critical utility issues that affect Pennsylvania consumers.

The OCA also responds to numerous individual utility consumer complaints and inquiries. The OCA handled more than 50,000 consumer inquiries and complaints in 2001 and 2002. In many instances, the OCA was able to help these consumers receive refunds or rate reductions. In other cases, the OCA has helped consumers receive necessary utility line extensions at reasonable costs or expanded toll-free local telephone calling areas to help keep their overall bills down.

The OCA has implemented a toll free number to expand its assistance to utility consumers throughout Pennsylvania. The toll free number (800-684-6560) is staffed from 8 a.m. to 6 p.m., Monday through Friday. The toll free number has allowed the OCA to be available to a greater number of Pennsylvania consumers who have a question, complaint or concern about prices, billing, quality of service or any other utility-related issues. Members of the OCA staff respond to each customer contact and assist consumers by providing information or otherwise resolving their complaints and concerns.

An increasing portion of the OCA's efforts is also spent on educating consumers about changes in the utility industry. The OCA believes that without adequate consumer education, consumers will not be able to benefit from the increased choices made possible by competition and, may, in fact be harmed by such practices as slamming and cramming about which they might not be aware. The OCA has a Consumer Education and Outreach Coordinator to direct its consumer education efforts. The Consumer Advocate and other members of OCA staff have participated in consumer presentations and forums across the Commonwealth to help educate consumers about changes in the utility industry and to advise them about cases that affect them. The OCA keeps consumers informed about these matters and regularly sends mailings to consumers and members of the General Assembly about upcoming cases and public hearings.

The OCA also provides consumer information and education through its website at [www.oca.state.pa.us](http://www.oca.state.pa.us). The OCA received nearly 1.9 million "hits" to its website during 2001 and 2002.

This remains a critical period in the regulation of utilities in Pennsylvania. The current transition to greater competition in many utility functions could lead to lower prices and improved service for all Pennsylvanians. As has been seen in other states, however, this transition could also harm consumers, leaving them without the protection of either sound regulation or effective competition. It is essential that Pennsylvania consumers be fully and competently represented and informed throughout this transition period and beyond. The OCA recognizes the importance of its role in advocating for the interests of Pennsylvania consumers and keeping consumers informed with respect to the utility industry.



# LEGISLATIVE PRIORITIES 2001 - 2002



Below is a comprehensive list of acts signed into law during the 2001-2002 session. These acts were either OAG legislative priorities at the beginning of session, advocated by the legislative office thereafter or otherwise will have an impact on the duties/powers of OAG.



## CRIMINAL STATUTES

### I. COMPUTER/INTERNET CRIME

#### 1. Act 134 of 2002

This bill was included in the OAG legislative priority package at the beginning of session. It toughens penalties in current child pornography law by increasing the grading from a F3 to a F2. Additionally, this legislation gives the OAG concurrent jurisdiction with district attorneys to prosecute violations which occur via the internet.

#### 2. Act 5 of 2002

This act requires an Internet Service Provider to disable access to Internet child pornography sites upon request of the OAG, and provides criminal penalties for failure to comply. It gives OAG concurrent jurisdiction to prosecute for violations. Although this was not part of our initial package, the OAG worked closely with the General Assembly to get this bill enacted.

#### 3. Act 226 of 2002

This bill gives the OAG concurrent jurisdiction with district attorneys over the following four computer crime offenses: 1) unlawful use of a computer, 2) computer trespass, 3) computer theft and 4) distribution of a computer virus.

### II. EXTENSION OF STATUTE OF LIMITATIONS FOR CRIMINAL OFFENSES

#### Act 86 of 2001

This bill was included in the OAG legislative priority package at the beginning of session. It extends the statute of limitations for the following offenses: 1) 18 Pa.C.S. '2713 (Neglect of a Care-dependent Person); and 2) 18 Pa.C.S. '4107 (Deceptive and Fraudulent Business Practices) from two years to five years because successful prosecution of these crimes often requires lengthy investigations.

### III. PROHIBITING CELLULAR PHONES IN PENNSYLVANIA'S PRISONS

#### Act 84 of 2002

This bill was included in the OAG legislative priority package at the beginning of session. In 2000, an investigating grand jury discovered that an inmate in a county correctional facility was running a statewide drug distribution ring from his jail cell through the use of cell phones and pagers provided to him by prison guards. This legislation adds to the current list of prohibited items in prisons any telecommunication device, including cellular phones, digital phones, pagers and modem equipped devices.

### IV. POST-CONVICTION DNA TESTING STATUTE

#### Act 109 of 2002

This bill was included in the OAG legislative priority package at the beginning of the session, and drafted with the help of the District Attorneys' Association. It establishes a uniform procedure for determining when a defendant should be permitted DNA testing and how that testing should be conducted.



## **V. JURORS**

### **1. Act 90 of 2001**

This Act amends the crimes code to create a new offense called "Aggravated Jury Tampering," which makes it a crime if a person, at a civil or criminal trial, attempts to threaten, coerce, bribe, etc. a juror. The offense is graded at the same level of the offense for which the defendant is on trial. For example, if a juror is "tampered with" at a F1 murder trial, the offense is graded as a F1.

### **2. Act 113 of 2001**

This Act amends 42 Pa.C.S. '4502 (Qualification for Jurors). It allows a person convicted of an offense under the old Vehicle Code of 1955, which is comparable to a summary offense under new vehicle code (75 Pa.C.S.), to serve on a jury. Currently, such a juror may be disqualified because under the old Vehicle Code, the "crime may have been punishable by more than a year in prison," this would make him ineligible under the current 42 Pa.C.S. '4502 code.

### **3. Act 127 of 2002**

Increases the compensation for multicounty grand jurors to \$40 per day, plus additional food allowance. This was a recommendation of the 16<sup>th</sup> Statewide Investigating Grand Jury, Grand Jury Report Number 1.

## **VI. COMBATING DRUG USE**

### **1. Act 183 of 2002**

This bill increases the penalty for those convicted of dealing Ecstasy. The penalties are graded depending on how many tablets the defendant is caught with. Dealers can now get up to 15 years in prison and pay \$250,000 in fines.

### **2. Act 198 of 2002**

This Act creates a restricted account, the "Substance Abuse and Demand Reduction Fund." An additional \$100 fine is to be imposed on everyone convicted under the Controlled Substances Act. This money goes into the Fund, and OAG gets 10% of the Fund annually for its Community Drug Abuse Grant Program.

## **VII. WIRETAP AMENDMENTS**

### **Act 162 of 2002**

This amendment requires venue for wiretaps to be where the suspected criminal activity has been, or is about to occur. Because the place of the interception can be just about anywhere with current technology, the changes make it clear that it is the place of the criminal activity that decides which district attorney's office can apply for a wire. The amendment should prevent challenges to wires based upon divergence between the location of the plant or any number of mobile tracking stations (where the interception is) and the location of the criminal activity.

## **VIII. ANTI-TERRORISM**

### **Act 82 of 2002**

This Act gives the OAG concurrent jurisdiction with district attorneys over two new offenses: 1) 18 Pa.C.S. '5516 (Facsimile Bombs), which was amended to address the "fake Anthrax" scenario. The bill makes it an F3 to intentionally deliver a "facsimile nuclear, biological or chemical agent" with the intent of terrifying or intimidating an individual or causing an evacuation of any building or facility; and 2) creates a new offense called "Weapons of Mass Destruction" which makes it an F1 to possess, manufacture or use a nuclear, chemical or biological weapon. The Office of Attorney General worked closely with Sen. Murphy's office to get this accomplished.

## **IX. RIGHT TO KNOW LAW SUMMARY OFFENSE JURISDICTION**

### **Act 100 of 2002**

Any person or agency who violates this Act commits a summary offense and shall be fined up to \$300 (no jail time provided for in the statute). The OAG is given concurrent jurisdiction with district attorneys for violations of this statute. Once a government agency (state or local) receives a request for a record, it has 10 days in which to comply with the request unless it is unable to do so for the following reasons:

1. Records are stored in a remote location;
2. Records cannot be accessed due to illness or emergency;
3. The person requesting the records has not paid the reasonable fees for postage, copies, etc.
4. The request requires a redaction in the public record.

The Act maintains current provisions which require parties in dispute to go to the Court of Common Pleas, and the definition of public record is not changed. Additionally, the Act provides that attorneys' fees may be awarded to a party denied access to records if it is determined that the agency willfully disregarded the law. The Office of Attorney General was involved in many negotiations surrounding this bill for the previous two legislative sessions.



## **X. ALLOW PROSECUTION OF BOTH SPECIFIC AND GENERAL OFFENSES**

### **Act 215 of 2002**

This Act allows a defendant to be prosecuted for all available specific or general offenses (correcting the decision in the Lussi case).

## **XI. ELECTION CODE OFFENSES**

### **Act 150 of 2002**

This Act gives OAG concurrent jurisdiction with district attorneys to prosecute all Election Code violations. Currently, the OAG already has concurrent jurisdiction with district attorneys for any violation connected with "a statement or report, and the contents thereof, which are to be filed with the Secretary of the Commonwealth" and the district attorneys have sole jurisdiction over "any other violations committed under this Act." 25 P.S. §3260b (Enforcement). With this new change, the statute now provides that the district attorneys and the OAG have concurrent jurisdiction over all Election Code offenses.

# **PUBLIC PROTECTION STATUTES**

## **I. TELEMARKETERS**

### **Act 24 of 2002**

This bill was included in the OAG legislative priority package at the beginning of session. This allows consumers to be placed on a "do not call" list which must be purchased by telemarketers who want to do business in the state. Additionally, this legislation amends the Telemarketer Registration Act to prohibit telemarketers from blocking the caller ID system of a consumer.

## **II. AUTO LEMON LAW**

### **Act 94 of 2001**

This bill was identified at the beginning of session in the OAG legislative priority package. It applies the Auto Lemon Law to leased vehicles. The number of consumers who now lease automobiles is estimated to comprise 35% of vehicle transactions in the Commonwealth. Pennsylvania now joins the overwhelming majority of states in offering complete lemon law coverage to consumers who lease their vehicles.

### **Act 117 of 2002**

This bill requires all auto dealers to provide a "lemon" history of any used car, and requires the buyer to sign a form indicating that he has been made aware of such history. Also, once a car has been identified as a lemon, its title will carry such a designation for life.

## **III. DOG AND CAT FUR PRODUCTS**

### **Act 103 of 2001**

This Act makes it a violation of the Unfair Trade Practices and Consumer Protection Law to sell a product containing dog or cat fur, hair or skin.

## **IV. ANTI-SPAM STATUTE**

### **Act 222 of 2002**

This bill prohibits e-mail advertisements to be sent with a forged return address. Also, unsolicited e-mail (SPAM) would need to include a toll-free number or legitimate-mail address for recipients to cancel the advertisements. Victims may be awarded up to 10% of any civil penalty imposed on the defendant. A violation of this Act is a violation of the Unfair Trade Practices Act. The Bureau of Consumer Protection testified in favor of this bill earlier in the year.



# YEARS AT A GLANCE



## 2001

January 4, 2001  
AG Fisher, DA Jarbola Announce Arrest of the President of the West Scranton Crime Watch with Charges of Selling Heroin

January 9, 2001  
AG Fisher & DA Gorman Announce Arrests of up to 37 Drug Dealers in Blair County

January 11, 2001  
Consumers to Receive Refunds in Internet Fraud Case; Two Pennsylvanians Suspended from eBay Auction Website

January 23, 2001  
AG Fisher Announces Guilty Plea of the Head of Lackawanna/ Luzerne County Cocaine and Marijuana Trafficking Ring

January 24, 2001  
AG Fisher Wins Landmark Judgment Against Allstate; Company Held Liable For Deceiving Consumers

February 1, 2001  
AG Fisher Announces \$100 Million Final Settlement with Prescription Drug Company Mylan Labs

February 7, 2001  
AG Fisher, DA Zappala Announce Break-up of Braddock \$7 million Cocaine Ring

February 21, 2001  
AG Fisher Announces Consumer Rebates in Proposed \$17.5 Million Antitrust Settlement with Bausch & Lomb

February 22, 2001  
AG Fisher Announces Breakup of \$1.5 Million Monroe/Northampton Meth Ring

March 8, 2001  
AG Fisher Urges General Assembly to Consider Legislation to Improve Safety at Pennsylvania Schools

March 16, 2001  
AG Fisher Lauds Deal to Keep Aliquippa Hospital Open

March 19, 2001  
AG Fisher Delivers \$70,000 to Women's Center & Shelter of Greater Pittsburgh from National Antitrust Settlement

March 29, 2001  
AG Fisher, DA Marsico Announce Arrests of Three Men in an Undercover Internet Child Sex Sting Operation

April 11, 2001  
AG Fisher, DA Meehan Announce Arrest of New Jersey Man in Undercover Internet Child Sex Sting Operation

April 16, 2001  
AG Fisher, DA Peck Announce Breakup of \$6.5 Million Westmoreland County Cocaine Ring; Up to 38 Drug Suspects Sought

April 16, 2001  
AG Fisher Announces \$230 Million Tobacco Payment; Urges State Lawmakers to Improve Health Care with Funds

April 25, 2001  
AG Fisher, DA Gibbons Announce Arrest of Bristol Township Pharmacist for Illegally Dispensing OxyContin and Other Controlled Substances

April 27, 2001  
AG Fisher Applauds North East High of Erie for Winning Third Place in National Lifeskills Competition

May 1, 2001  
AG Fisher Offers Additional Assistance in Probing Racist Threats at Penn State

May 9, 2001  
AG Fisher Delivers \$70,000 to Pennsylvania Coalition Against Rape from National Antitrust Settlement

May 10, 2001  
AG Fisher Says Former AHERF Chief Abdelhak to Face Trial That He Raided Hundreds of Charitable Endowments

May 21, 2001  
Fisher and Attorneys General From NJ & DE Reach Settlement in American Appliance Bankruptcy Case; Consumers to Receive Purchased Merchandise or Credit

May 22, 2001  
Johnson & Johnson to Pay up to \$60 Million Following Antitrust Lawsuit; Lens Wearers Eligible for Benefits

June 5, 2001  
AG Fisher releases Statewide Grand Jury Report on Heroin Problem in Pennsylvania

June 18, 2001  
AG Fisher Announces Sentence of former Easton Couple on Theft of more than \$1.5 million from Insurance Companies

June 22, 2001  
AG Fisher Applauds General Assembly for Tobacco Spending Plan Aimed at Improving the Health of Pennsylvanians



June 26, 2001  
AG Fisher Announces Landmark \$34 Million Multi-State Settlement with Publishers Clearing House

June 28, 2001  
AG Fisher Sues Cellular One; Seeks Civil Penalties and Customer Refunds for 'Network Service' and 'Termination Fees'

July 3, 2001  
AG Fisher Announces Guilty Plea of Heroin Kingpin; Also Announces Guilty Plea of Former West Scranton Crime Watch Leader on Heroin Charges

July 12, 2001  
AG Fisher Releases Statement on United / US Airways Notice to DOJ

July 13, 2001  
AG Fisher Urges Prompt Return of Convicted Killer Ira Einhorn

July 20, 2001  
AG Fisher, DA Zappala Announce Arrests of up to 18 Pittsburgh Northside Drug Dealers

July 26, 2001  
AG Fisher Sues Alleged Participants in 'World of Giving' Pyramid Scheme

July 26, 2001  
PA Supreme Court Upholds State Pardons Board Law

August 1, 2001  
AG Fisher Files Complaints Against Three Out-of-State Tobacco Companies for Failing to Follow State Law

August 17, 2001  
Attorney General Mike Fisher's Health Care Unit Can Help Consumers Obtain Vital Health Care Services

August 21, 2001  
AG Fisher Calls on OxyContin Maker to Stop Aggressive Marketing of Painkiller

August 23, 2001  
AG Fisher Announces Support of Pittsburgh Gun Stoppers Program

September 10, 2001  
AG Fisher, DA Rebert, DA George and Pa. State Police announce Breakup of \$1.5 Million Marijuana Ring



September 14, 2001  
AG Fisher Encourages Pennsylvanians to be Generous, but Warns Against Bogus Charity or Relief Funds in Wake of Terrorist Attacks

September 18, 2001  
AG Fisher Urges Pennsylvanians to Fight Discrimination Against Arab-Americans or Muslims

September 20, 2001  
Ohio-based Energy Company to Pay \$700,000 and Restitution in Settlement with PA and Seven Other States

September 24, 2001  
AG Fisher Announces Seizure of Nearly 7,000 Ecstasy Pills, Cocaine, Hashish and Marijuana; Arrests of Four Pittsburgh Drug Dealers

October 3, 2001  
Attorney General Fisher & District Attorney Diehl Establish Bedford County Drug Task Force

October 6, 2001  
AG Fisher Commends Gov. Schweiker for Creating the Governor's Task Force on Security

October 19, 2001  
AG Fisher Approves Children's Hospital-UPMC Merger; says Children in 23 Counties will be Served

October 25, 2001  
AG Fisher Announces Firearm Reciprocity Agreements with Two States

October 31, 2001  
AG Fisher, State Rep. Kenney Announce Introduction of Election Reform Legislation

November 1, 2001  
AG Fisher, Greene County DA Fox Establish Greene/Fayette Drug Task Force

November 2, 2001  
AG Fisher Delivers More Than \$158,000 for PA Anti-Smoking Programs Following Settlement with SmithKline Beecham

November 7, 2001  
AG Fisher, PA State Police Announce Charges Against 56 Suspects in PennDOT Licensing Scam

November 8, 2001  
AG Fisher Announces \$51.5 Million National Settlement with Bridgestone/Firestone

November 21, 2001  
AG Fisher Announces Seizure of 18 kilos of Cocaine; Worth an Estimated \$5.4 million

November 26, 2001  
IRS Determines Interest on Tobacco Money to States is Tax Exempt; Pennsylvania Receives \$3.1 Million Refund

December 12, 2001  
AG Fisher Announces Multi-state Suit Against Bristol-Myers Squibb for Illegally Preventing Sale of Generic Anti-anxiety Drug

December 13, 2001  
AG Fisher & Butler Co. DA McCune Announce Seizure of 55-gallon Drum of Designer Drug Liquid Worth \$2.8 Million; Arrests Five Drug Dealers in Probe

December 13, 2001  
AG Fisher, DA Marsico Announce Arrests of Two Men Charged in Undercover Internet Child Sex Sting

December 31, 2001  
AG Fisher Announces \$111.7 million Tobacco Payment



## 2002

January 3, 2002

AG Fisher Sends Department of Public Welfare \$2.1 Million as Part of TAP Pharmaceutical Settlement

January 7, 2002

AG Fisher Asks PA Supreme Court to Help Alleviate the Skyrocketing Costs of Medical Malpractice

January 9, 2002

AG Fisher Defends State Law Protecting Senior Citizens; Files Appeal with State Supreme Court

January 16, 2002

AG Fisher Announces Proposed Settlement in AHERF Bankruptcy; Millions Recovered for Raided Endowments

January 30, 2002

AG Fisher Obtains Nearly \$409,000 for PA Consumers in Multi-State Settlement with Reader's Digest

February 11, 2002

AG Fisher creates statewide Witness Protection Program; Sen. Specter Announces \$100,000 in Federal Funds

February 13, 2002

AG Fisher, DA McDanel & PSP Announce Breakup of \$4 Million Methamphetamine Ring Operating in Columbia, Schuylkill, Montour & Northumberland Counties

February 20, 2002

AG Fisher announces multi-state agreements with three long distance telephone service providers

February 22, 2002

AG Fisher Announces Federal Court Decision in Congressional Redistricting Case; Nearly All Claims Dismissed in Favor of Commonwealth



February 27, 2002

AG Fisher Stands up for American Steel; Asks President Bush to Protect Steel Jobs

March 5, 2002

AG Fisher Commends President Bush for Protecting Steel Jobs by Taking on Illegal Steel Dumping

March 12, 2002

AG Fisher, PSP Announce Break Up of \$3 Million Marijuana Ring Operating in Clinton, Lycoming and Centre Counties

March 13, 2002

AG Fisher Commends General Assembly for Passing Medical Malpractice Reform Legislation

March 20, 2002

AG Fisher, PSP Announce Arrest of Fugitive in \$3 Million Marijuana Ring Operating in Clinton, Lycoming & Centre Counties

March 27, 2002

AG Fisher Commends General Assembly for Passing Telemarketer 'Do-Not-Call' Bill

April 1, 2002

AG Fisher, DA Mangino Announce the Break-up of a \$500,000 Lawrence County Cocaine Ring

April 3, 2002

AG Fisher Unveils Plan to Protect Philadelphia Students; Seeks to Enhance the Powers of Safe Schools Advocate



April 16, 2002

AG Fisher Announces \$290 Million in Tobacco Payments; Additional \$16 Million Expected in B&W Settlement

April 22, 2002

AG Fisher to Enforce New Law Aimed at Fighting Child Pornography on the Internet

April 25, 2002

AG Fisher Files Suit Alleging Elaborate Monroe County Home Sales and Finance Scheme; Nearly \$3.9 Million Sought in Restitution and Fines

May 1, 2002

AG Fisher Supports Pennsylvania District Attorneys Association in Effort to Strengthen Sex Abuse Laws

May 16, 2002

AG Fisher and U.S. Dept. Of Justice Announce Arrest of Westmoreland County Man on Fraud and Drug Charges

May 16, 2002

Five Defendants Enter Pleas in Case Against Bucks Co. Soil Treatment Company; Sentences Include \$650,000 in Fines, Restitution and Costs

May 20, 2002

AG Fisher Announces Kick-off of Tire Safety Campaign Under National Bridgestone/Firestone Settlement

May 23, 2002

AG Fisher Files Distribution Petition in AHERF Bankruptcy; More Than \$22 Million Recovered for Endowments

June 4, 2002

AG Fisher Announces Multi-state Suit Against Bristol-Myers Squibb for Illegally Preventing Sale of Generic Cancer Fighting Drug

June 17, 2002

AG Fisher Applauds General Assembly for Passing Lawsuit Reform Measure; Urges Gov. Schweiker to Sign Joint and Several Liability Bill



June 24, 2002  
AG Fisher Says State-Federal Probe Shuts Down Major Erie Drug Ring; State Agents Seeking 19 Drug Suspects

June 27, 2002  
AG Fisher Commends General Assembly for Banning Cell Phones and Communications Devices in Prisons

June 28, 2002  
AG Fisher Announces Release of \$2.1 Million to nearly 11,000 Pennsylvanians following Mylan Antitrust Lawsuit

July 2, 2002  
AG Fisher asks President Bush to support \$900 million in loan guarantees for US Airways

July 11, 2002  
AG Fisher commends federal ATSB for approving \$900 million in loan guarantees for US Airways

July 15, 2002  
AG Fisher calls for stiffer penalties for corporate fraud; offers bill making securities fraud a racketeering offense

July 29, 2002  
AG Fisher commends Gov. Schweiker, Sec. Hess and emergency officials who saved the miners in Somerset

July 31, 2002  
AG Fisher reaches agreement with Milton Hershey School to restructure its operations and admittance policies

August 6, 2002  
AG Fisher Launches PA's Statewide 'Do-Not-Call' Program; Consumers Can Now Register To Avoid Unwanted Telemarketing Calls

August 14, 2002  
AG Fisher sends letter to PA Insurance Commissioner Koken urging her to stop JUA health insurance increase

August 19, 2002  
AG Fisher Commends UPMC/Highmark/St. Francis Agreement Ensuring Western Pennsylvania Citizens Continued Access To Quality Health Care

August 23, 2002  
AG Fisher Asks Court To Halt Any Sale Of Hershey Foods; Says Restraining Order Needed To Avoid Irreparable Harm To Hershey Community

August 26, 2002  
AG Fisher to ask state Supreme Court to reconsider its decision striking down Lobbying Disclosure Act

August 28, 2002  
AG Fisher files theft and fraud charges against Allegheny County man for bilking \$7.2 million from 116 victims

September 4, 2002  
AG Fisher; Dauphin County Judge Temporarily Halts Hershey Sale; Approves AG's Request for an Injunction

September 18, 2002  
Montgomery County Judge orders WorldCom to disable access to child pornography Internet sites; first court action taken by Attorney General Fisher under new PA law

September 18, 2002  
AG Fisher charges Lancaster County man with swindling more than \$3 million from dozens of senior citizens

September 18, 2002  
AG Fisher applauds Hershey Trust decision to stop the sale of Hershey Foods

September 27, 2002  
AG Fisher files criminal charges against Lehigh Co. transfer facility and parent company for illegally accepting 96,000 tons of sludge, mostly from New York

October 7, 2002  
AG Fisher releases \$1.7 million to PA consumers following lawsuit against Publishers Clearing House

October 8, 2002  
AG Fisher & PA Bar Association help Monroe County School students launch the school anti-violence program, Project PEACE

October 22, 2002  
AG Fisher Stops Psychic Reader's Network In Pa Company To Drop Nearly \$3.6 Million In Disputed Charges

October 22, 2002  
AG Fisher commends General Assembly for passing a bill that would increase penalties for repeat offenders who distribute and possess child pornography

October 31, 2002  
AG Fisher, DOJ And 22 States Sue To Block Proposed EchoStar-Hughes Satellite TV Merger

November 14, 2002  
AG Fisher announces reconstituted Hershey Trust Board; says new board will further Milton Hershey's vision

November 25, 2002  
AG Fisher, DA Marsico announce sentencing of Cumberland County man charged in undercover Internet Child Sex Sting Operation

December 9, 2002  
AG Fisher, DA Gibbons announce break up of million dollar cocaine & marijuana ring operating in Bucks County

December 18, 2002  
AG Fisher announces shut-down of one of the largest Ecstasy labs in the Eastern United States

December 20, 2002  
AG Fisher Announces \$51.5 Million Multi-State Settlement With Ford Motor Company





# HOW TO REACH US



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*Other Sections within BNIDC:*  
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Diversion Unit  
Clandestine Lab Enforcement Unit  
Interdiction  
Drug Demand Reduction Unit

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Health Care Unit:  
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Phone: (717) 705-6938  
Tobacco Enforcement: (717) 783-1794  
Tobacco Enforcement Fax: (717) 705-0916

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